



The Insolvency
Service

Insolvency Service Statistics: User Engagement Feedback

October 2014 to March 2015

Insolvency Service Statistics

Response to User Feedback, October 2014 to March 2015

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 October 2014 and March 2015. 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. **We will implement the following changes in our next quarterly publication on 29 April 2015:**
 - introducing a new time series for total company insolvencies;
 - restructuring the Excel tables in line with good practice, including making the tables more easy to navigate;
 - publishing the industry breakdowns in a separate Excel file so that users who do not need these statistics can more easily find the statistics they require; and
 - discontinuing industry breakdowns using the 2003 Standard Industrial Classification.
4. Our future development plans include:
 - changing the method used to produce statistics on company insolvency. We will consult users on this soon;
 - 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; and
 - publishing new Official Statistics relating to enforcement outcomes. The first publication will be on 20 May 2015.

Background

5. The Insolvency Service currently produces three regular Official Statistics publications:
 - [Insolvency Statistics](#), 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](#), 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](#), an annual release that provides termination and completion rates for individual voluntary arrangements (IVAs) registered each year from 1990 to date.
6. A new regular Official Statistics publication, *Insolvency Service Enforcement Outcomes*, will contain information on: disqualifications of company directors (where the Insolvency Service played a significant role in the disqualification); companies wound up in the public interest; bankruptcy restrictions orders; and suspensions of discharge from bankruptcy. The first statistics will cover the period January to March 2015, and will be released on 20 May 2015.
7. The *Insolvency Statistics* publication was assessed in 2010 by the UK Statistics Authority,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 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.
8. 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 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>

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>

9. The Insolvency Service conducted a formal *Consultation on Insolvency Statistics* between July and October 2010, immediately after the UK Statistics Authority's assessment,³ followed by meetings with users of statistics in January 2011. An engagement exercise was also conducted in 2013.⁴
10. In this latest exercise, the Insolvency Service invited responses to an online survey, which was open between 29 October and 31 December 2014. The survey questions focused 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.
11. 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 29 October, and shared through the Insolvency Service's Twitter account.
12. 44 individuals responded to the survey, either on their own behalf or on that of their organisation. 5 individuals attended a follow-up meeting at the Insolvency Service's headquarters in London in March 2015.
13. We are very grateful to those that took the time to respond to the survey.

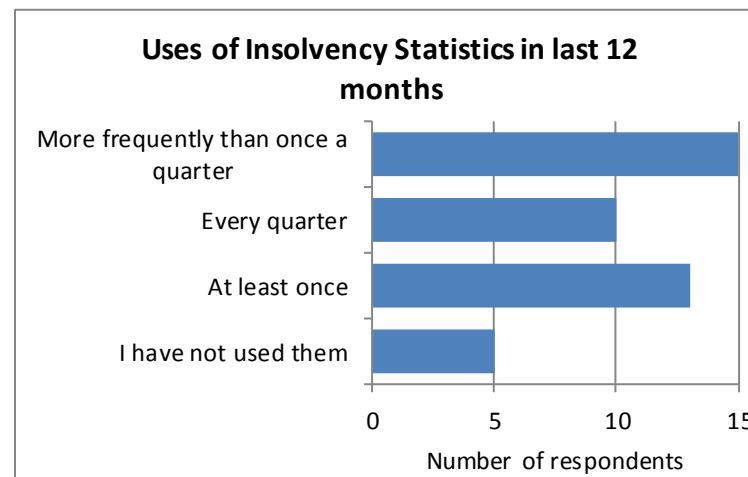
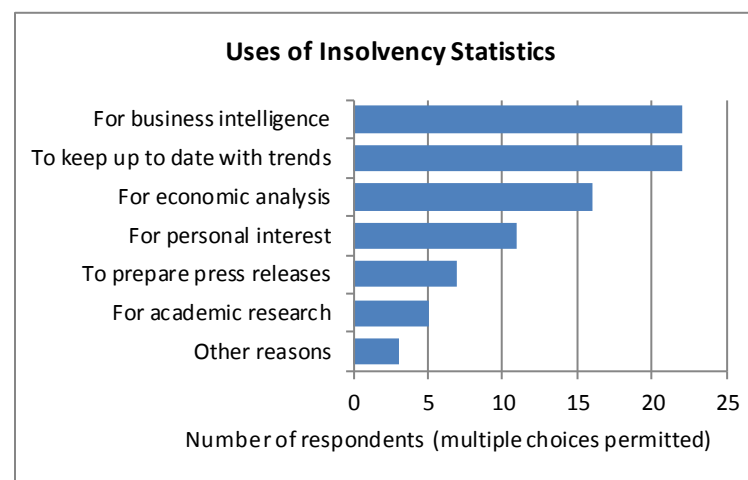
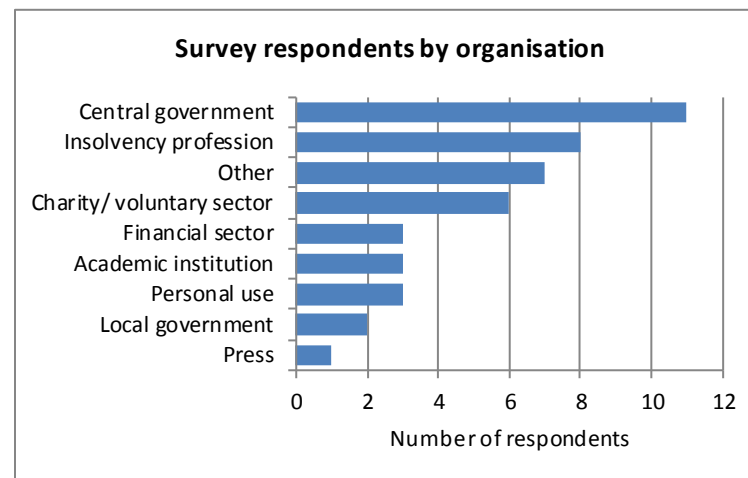
³ The consultation document and the Government response can be found at:
<http://www.insolvencydirect.bis.gov.uk/otherinformation/statistics/statistics-consultation.htm>

⁴ A summary of feedback can be found at:
<http://webarchive.nationalarchives.gov.uk/20140311023846/http://bis.gov.uk/insolvency/About-us/our-performance-statistics/insolvency-statistics>

Survey Results and Our Response

Users and uses of Insolvency Service Official Statistics

14. There were 44 respondents to our survey, from a wide range of organisation types. A quarter of respondents worked in central government (including the Insolvency Service), with eight from the insolvency profession responding.
15. 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.
16. 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.
17. The quarterly *Insolvency Statistics* include information on both company and individual insolvency. About a quarter of respondents mainly used data on individuals, a third were mainly interested in company insolvencies, and the remainder used both sets of statistics.
18. Many respondents were regular users of the quarterly *Insolvency Statistics*, with over half using the statistics at least once a quarter.



Presentation, commentary and additional needs

19. We asked survey respondents whether the balance of charts, tables and text was appropriate. In most cases, respondents felt it was 'about right'.
20. Respondents also told us that the charts and background notes were clear, and that the types of insolvency had been clearly defined. Some users did not find it easy to locate the information they required, specifically mentioning links to archived historic data. The Insolvency Service moved to the common GOV.UK platform in April 2014, and historic data has been preserved on the [National Archives website](#). A link to archived data is provided on the Insolvency Service's statistics web page.
21. Some users said that they would like additional charts, for instance combining bankruptcies and debt relief orders.
22. Some users asked for additional series, or breakdowns of existing data, for example:
 - **company insolvencies** – industry; assets; size of firm; reason for insolvency; UK totals
 - **individual insolvencies** – further breakdowns by debt; creditors; reason for insolvency
23. Some users requested very detailed data which is beyond the scope of what we would consider publishing as Official Statistics, for example individual voluntary arrangements broken down by the supervising insolvency practitioner; users are still able to request such information through [Freedom of Information requests](#).
24. Further detail on these requests, and our response, is set out in Table 1. Table 2 provides an update on progress made against user needs identified in the 2013-14 user engagement exercise, where we said that we would take action.

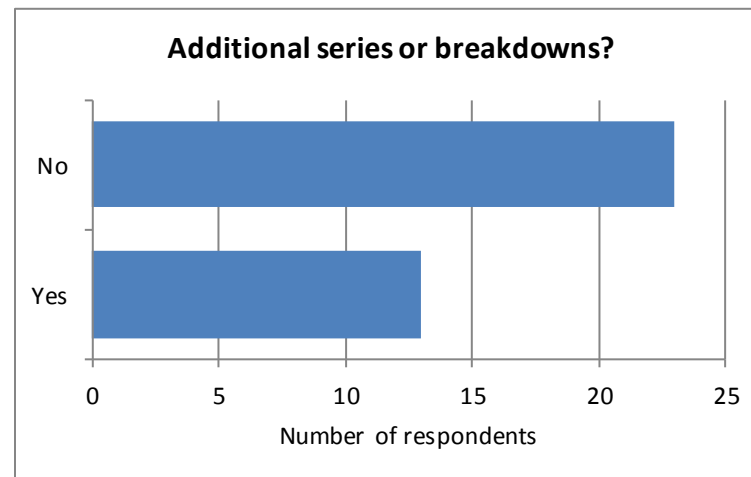
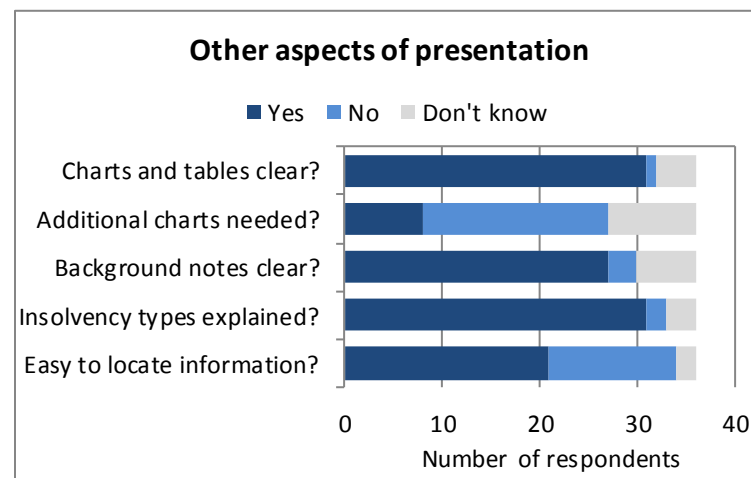
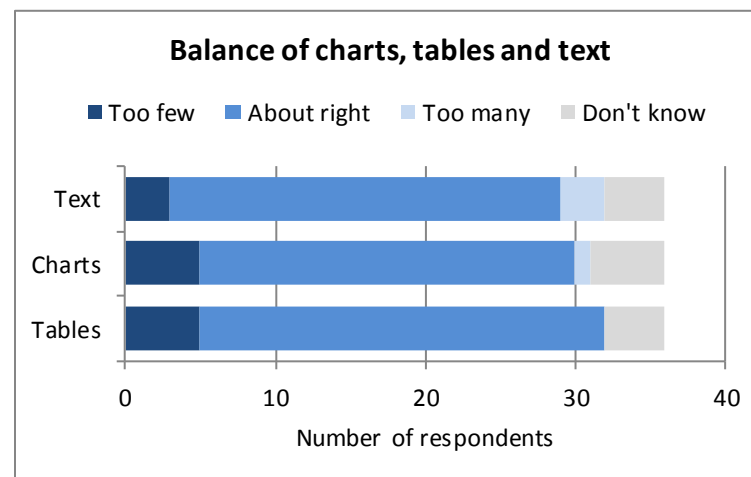


Table 1: Additional needs identified by users of Insolvency Service Official Statistics

User need	Our response
<i>Company insolvencies</i>	
Breakdown of receiverships	We are currently investigating the possibility of breaking down the number of receiverships into administrative receiverships (which are formal insolvencies), and fixed charge / Law of Property Act receiverships (which are not formal insolvencies). We will consult users about this change soon.
Insolvencies by location & size of company	This need was also identified in the 2013-14 exercise. 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. This work is dependent on a related review of the method used to produce national-level statistics on company insolvency.
Insolvency rate by industry	We currently produce statistics showing the overall liquidation rate, expressed as a percentage of all active companies. We do not have access to data on the number of active companies in each industry class, which would be needed to calculate rates by industry. This is an area in which the statistics could develop in future but we do not currently have the resources to pursue this.
Total assets liquidated	The Insolvency Service holds information on assets liquidated in some compulsory liquidation cases, but not for those where an insolvency practitioner is the liquidator. The Insolvency Service does not hold information on assets liquidated in other forms of company insolvency. We do not intend to publish official statistics on this.
<i>Individual insolvencies</i>	
Breakdowns by amount of debt, number of creditors	The Insolvency Service holds information on debt and creditors for bankruptcies and debt relief orders, but not for individual voluntary arrangements (IVAs). We have some reservations about the quality of information recorded on debts in bankruptcy which means that we are not considering publishing this information as official statistics.
IVAs broken down by amount of debt and monthly payment	The Insolvency Service does not hold this information about IVAs. Insolvency practitioners, who supervise the arrangements, are not required to supply this information to the Insolvency Service.

User need	Our response
Self-employed bankrupts without current time lag	These statistics are currently published with a lag of one quarter, compared to most other statistics in the <i>Insolvency Statistics</i> . This is because of the time it can take between the making of the bankruptcy order by the court, and information about self-employment status being recorded following interview with the bankrupt. After re-examining the data on receiving this request, we have concluded that it would not be appropriate to publish the statistics without a time lag, because there would be too many bankrupts whose self-employment status is unknown at the point at which data are extracted, which would affect interpretation of levels and trends in the data.

Table 2: Progress against user needs identified in 2013-14 user engagement exercise

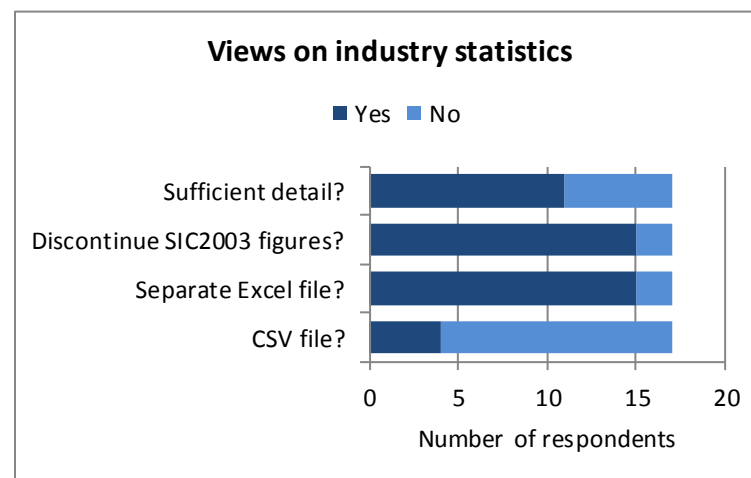
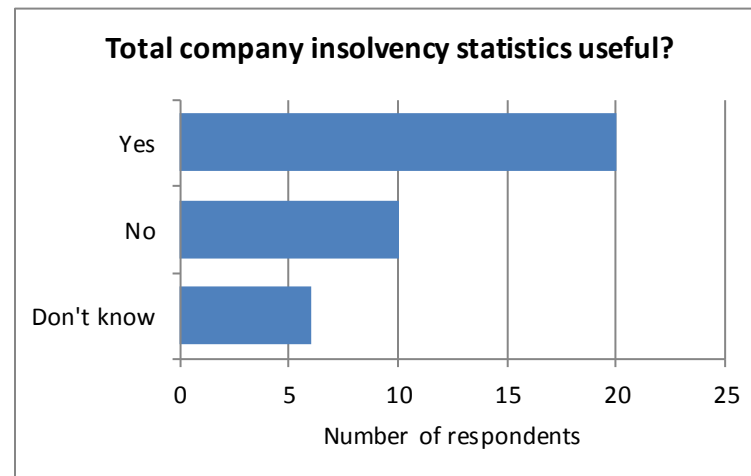
User need	Our response in 2013-14	Progress to date
<i>Company insolvencies</i>		
Members' voluntary liquidations (MVLs)	Users requested statistics on MVLs. We said we would publish them, subject to the agreement of Companies House and the Department for Business, Innovation and Skills.	Companies House has started to publish monthly Excel tables showing the number of MVLs, and we have directed users to this source. As these liquidations are not insolvencies, we do not intend to include them in the <i>Insolvency Statistics</i> .
Statistics by industry	We said there were plans to change administrative systems so that industry classifications use the SIC 2007 codes, but that these plans had been delayed.	There has been no progress to date. The proposed change is not a high priority for the Insolvency Service. We have instead converted SIC 2003 codes to SIC 2007 codes and published tables on this new basis.
<i>Individual insolvencies</i>		
"Profile of Bankrupts" update	We recognised that users would find an update useful but that we did not have resources to compile it. We said we would review the situation regularly.	This is still an unmet need for a small number of our users. We are unable to commit resources to producing an update at this stage.

Company insolvency statistics and industry breakdowns

25. We asked users if we should produce statistics on the overall number of company insolvencies. (Currently, we publish statistics on the number of liquidations, but statistics on receiverships, administrations and company voluntary arrangements are published separately.) Over half of respondents to this question told us that they would find such statistics helpful.
26. Starting with the January to March 2015 publication (due 29 April 2015), **we will publish a time series of total “new” company insolvencies**. This will include compulsory liquidations, creditors’ voluntary liquidations (where this was the first insolvency procedure), administrations, receiverships and company voluntary arrangements. It will **not** include creditors’ voluntary liquidations following administration, as these are not new insolvencies but the outcome of a previous insolvency.

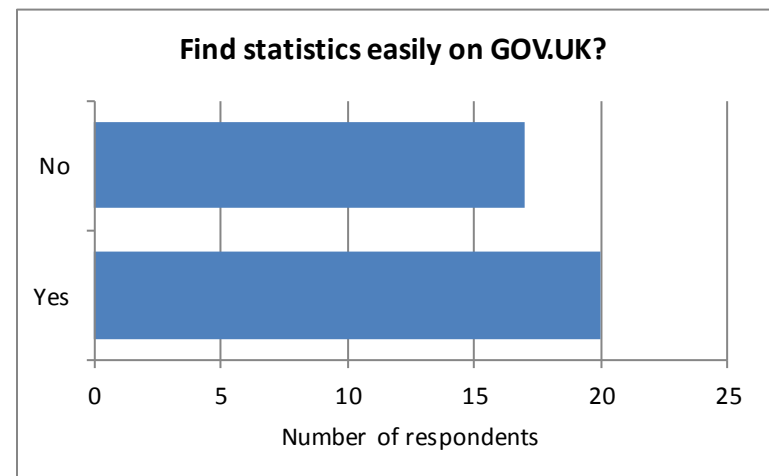
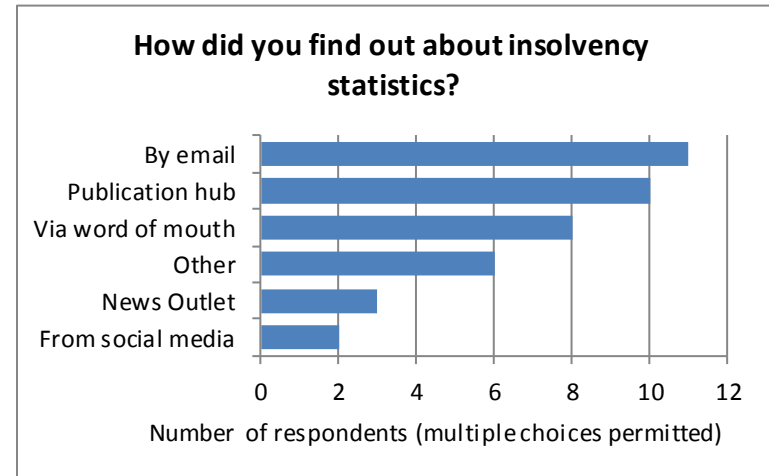
Industry breakdowns

27. The *Insolvency Statistics* include breakdowns by industry for company insolvencies (separately by insolvency type), and for bankrupts where the individual was self-employed. Breakdowns are currently provided using the 2003 and 2007 Standard Industrial Classifications (SIC).
28. Most respondents to these questions told us that the level of detail was sufficient. One user told us it would be helpful to know how many companies overall were in each industry classification.
29. We asked users if we should discontinue publishing figures using the 2003 SIC, in line with other statistical producers. Most said that we should. **Starting with the January to March 2015 publication, tables using the 2003 SIC will no longer be available.**
30. We asked users if we should publish the industry statistics in a separate Excel file, to make it easier for users to find quickly the statistics they need. Most respondents agreed, so **we will introduce this in the January to March 2015 publication.**
31. Most users did not require a CSV version of the industry statistics, so we will not introduce this.



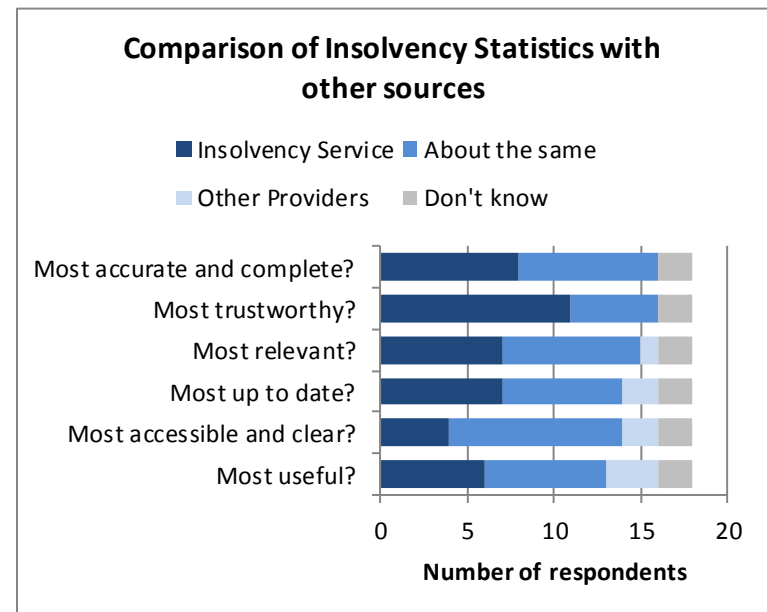
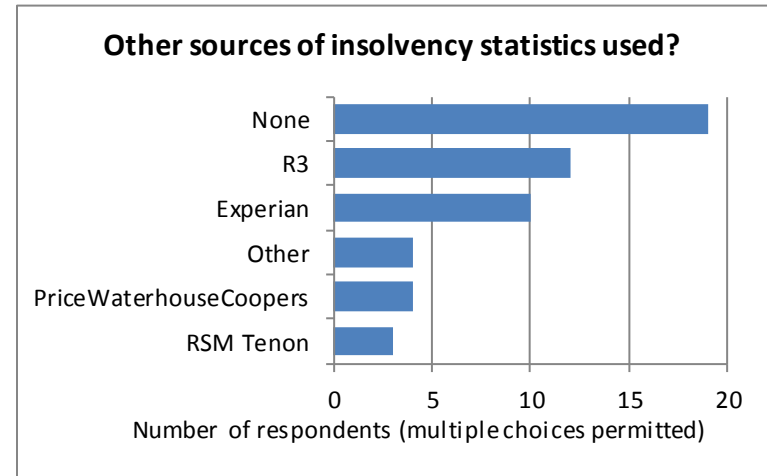
Dissemination and website

32. Users were made aware of the statistics through a variety of channels. Many regular users are included on an email distribution list, with others accessing the statistics through the publication hub.
33. The Insolvency Service moved to the common GOV.UK website in April 2014, and all Insolvency Service Official Statistics are now published on this platform. A [“collections” page](#) has been established, which includes links to all recent statistical publications, as well as to documentation on statistical policy and procedures. A link to this page is on the front page of all our statistical publications.
34. Users had mixed views about the move to the GOV.UK website, with several commenting that they had found it easier to find statistics when Government departments each had their own websites.
35. We will make it easier for users to link back to the source of the statistics by **including hyperlinks in the Excel tables.**



Statistics from other sources

36. We asked users whether they accessed insolvency data from other sources. About half of those responding to this question used data from one or more of R3, Experian, PwC, RSM Tenon or others. Most of these users were in the group that re-used Insolvency Service Official Statistics to feed in to their own analysis.
37. We asked these users to compare our statistics with those alternative sources of data. Against most measures, about half of respondents rated Insolvency Service statistics more highly, and about half rated them the same. However, most users felt Insolvency Service statistics were more trustworthy, but under half rated them as most accessible and clear. This last result may be linked to issues with the GOV.UK platform described above, but users did not provide any specific feedback on the reasons for their views.



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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Any enquiries regarding this document/publication should be sent to us at statistics@insolvency.gsi.gov.uk.