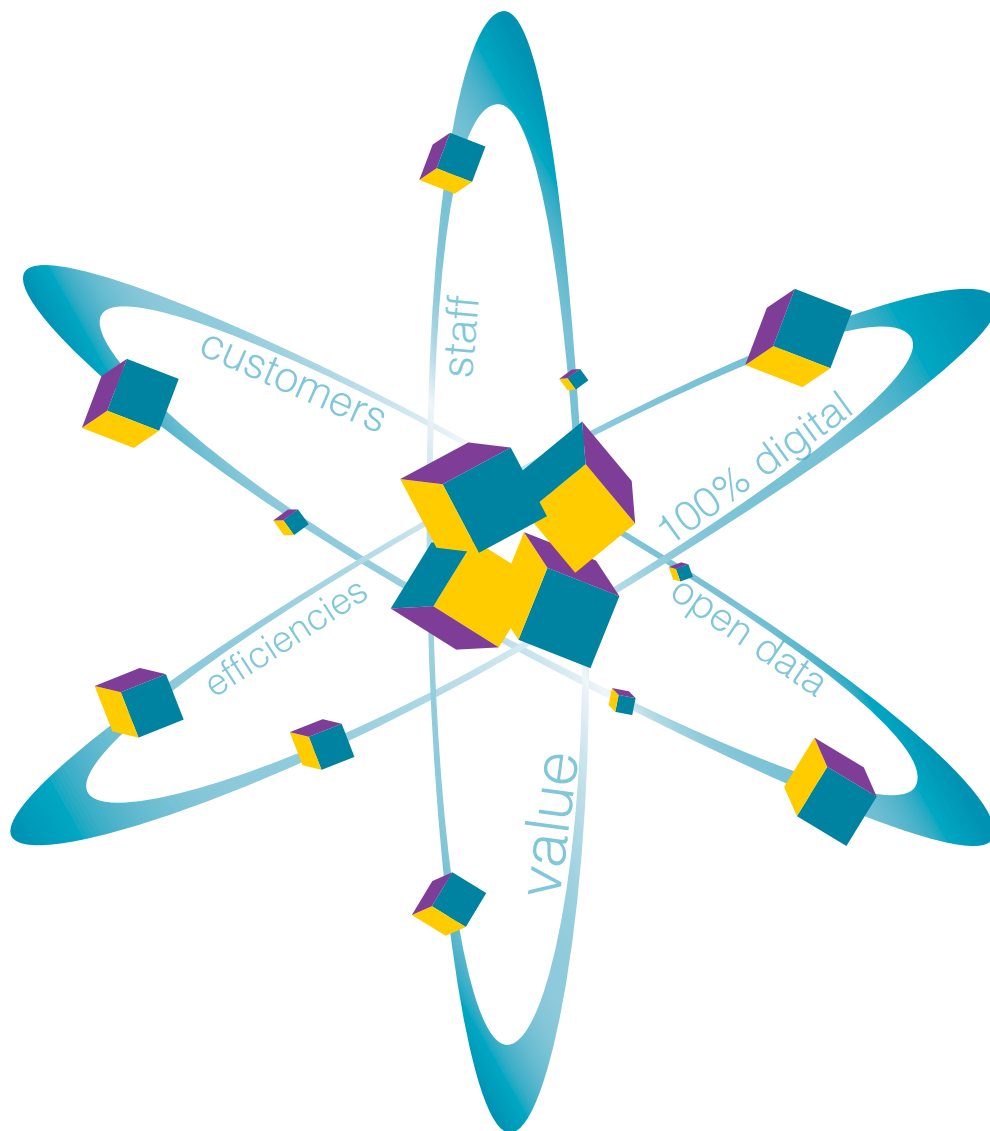
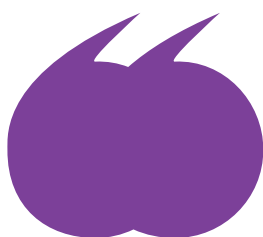


Companies House Business Plan 2014-2015



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There is a challenging programme of work ahead of us, and CH will rise to this and take full advantage of the opportunities it presents. In the coming year we can cement our position as a fundamental part of the core national information infrastructure that underpins daily economic activity and our role as one of government's leading digital services providers.



Introduction

We are pleased to present the Companies House (CH) Business Plan for 2014/15. This plan represents the first, key step in implementing our new 5 year strategy.

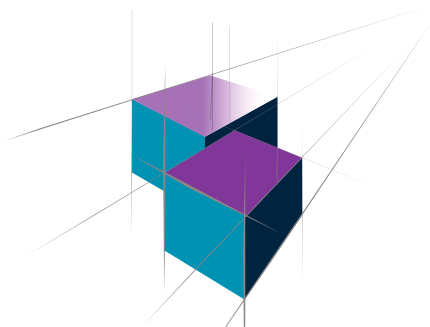
Our strategy is the outcome of the Strategic Review, agreed by Ministers in May 2013, which set out a path for CH to become a truly digital organisation, contributing significantly to the government's open data agenda by making all digital data openly available. It also signalled a move to greater co-operation with other government departments, to enhance companies' experience of interacting with government and to enhance the usefulness and integrity of the information on the register. Finally, the review set out that there would be a major reduction in the burden on business through a package of deregulatory measures, and simplifications to CH's fees regime.

While looking forward to next year's priorities, it is also useful to take stock of the achievements of the last year. It was a busy year for CH: in addition to completing the Strategic Review and developing an implementation plan, we delivered many improvements and introduced new developments that have benefited our customers by providing a better, more joined-up reliable service, and our staff by streamlining our processes, delivering efficiencies and improving the office infrastructure at our headquarters in Cardiff.

During the year, we have delivered:-

- A free, bulk accounts data¹ product - making CH a world leader in providing iXBRL accounts data free of charge.
- Digital Charges – introducing a quicker, more efficient and cheaper service for our customers.
- The incorporation of over 500,000 new companies - taking the register to over 3.3 million.
- Functionality to allow companies to file micro-entity accounts - simplifying reporting requirements for these small companies and therefore reducing the regulatory burden placed upon them.
- An Electronic Workflow System (going live in April) - improving the efficiency of our core customer process.
- A Case and Contact Management System – enabling us to offer a faster, more efficient and joined-up service to customers.
- A New Call Recording and Analytics Tool for 500 customer facing staff - providing useful customer insight and a quick means of resolving issues.
- A 30% increase in uptake of digital accounts filing to over 1.4 million.
- Efficiencies - including saving approximately £300k in postage costs and £600k in improved productivity.

¹ inline eXtensible Business Reporting Language



100% digital organisation

Our strategy for 2014 to 2019 sets out the following aims:

- **Digital transformation** to become a 100% digital organisation
- **Open data** with links to other government information on companies
- **Improved register integrity** through better investigation and remedies
- **Reduced burdens** through deregulation and joining up across government
- **Efficiencies** ensuring fees will not increase.

More details on our strategic plan can be found [here](#).

This business plan sets out how we will begin to achieve these aims in 2014/15, building on our success in previous years and continuing our journey to become a top class digital services organisation.

Our Priorities (for 2014/15)

For the coming year our key priorities for each strategic aim include:

Digital Transformation

Customers;

- **Developing Companies House Service (CHS)**, our replacement for services including WebFiling, WebCheck and CH Direct. An initial launch in July will include a profile page showing basic company details, filing history and the ability to change registered office addresses. Planning for further releases will be confirmed early in 2014/15. This will include preparation for legislative changes and an increase in open data.
Increasing digital take-up. We

will work with those who currently file on paper to encourage more digital take-up. This will increase overall take-up to 81%.

Staff;

- **Organisational structure review.** We will review our organisational structure and the roles we will need, ensuring these are appropriate for a digital organisation and that we are clear on the opportunities for our staff and what we will require in return.
- **Skills audit.** We will identify what skills we need in the future, where we can build on what we already have and where we need to invest and support staff in developing in new areas.
- **Improve our working environment, equipment, systems and processes.** Estates, technology and continuous improvement strategies that provide work spaces, IT tools and systems that fully support digital services and a workforce that is flexible, collaborative and embraces the digital age.

Open data;

- **Making more information openly available. In 2014/15 we will prepare for a step change in open data the following year.** The development of our digital services will transform the way we can make the information on the register available and we will work with our customers to prepare them for this. The first release of CHS will be available in July.
- **Improved register integrity** Improvements to the quality and integrity of the register. A new team giving improved analysis and a focus on non-compliance and inconsistencies will help

address known issues on the register and to detect inaccurate or fraudulent filings.

Reduced burdens;

- **Joined up Filing.** A Company Accounts and Tax Online service (CATO) to replace the current joint accounts filing service, allowing companies to enter data once to file to both CH and HM Revenue and Customs (HMRC).
- **Preparing for future legislative changes.** These include Company Filing Requirements measures originating in Red Tape Challenge and measures from the Trust and Transparency agenda which are anticipated to come into force from 2015 onwards.

Efficiencies;

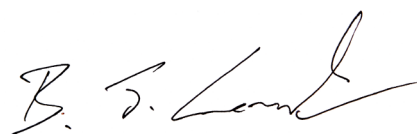
- **Efficiencies.** These will include £1.4m savings from support contracts. The register will continue to grow by 6.3% and we will absorb this additional work, together with inflation, within our reducing headcount and budgets.
- **Headcount reductions.** Overall, our headcount will reduce by 90 FTE, providing a £3m annual saving from 2015/16 – the cost of these exits will be around £4m.
- **Funding.** Our income (£66m) will broadly balance with our planned expenditure (£66m), including the investments in systems, staff and an early exit scheme.

These activities will result in a better experience for customers, with improved digital services that make it quicker and easier than ever to update and see information on the register and to meet their legal obligations.

As our systems develop and efficiencies and headcount reductions are achieved, we will be ready to provide the majority of company information free of charge and the average cost to a company on the register will continue to fall.

Although our headcount will need to reduce, the quality of our roles and the working environment will continue to improve. We will ensure that all our staff understand what the future holds for them and help them to prepare for this.

There is a challenging programme of work ahead of us, and CH will rise to this and take full advantage of the opportunities it presents. In the coming year we can cement our position as a fundamental part of the core national information infrastructure that underpins daily economic activity and our role as one of government's leading digital services providers.



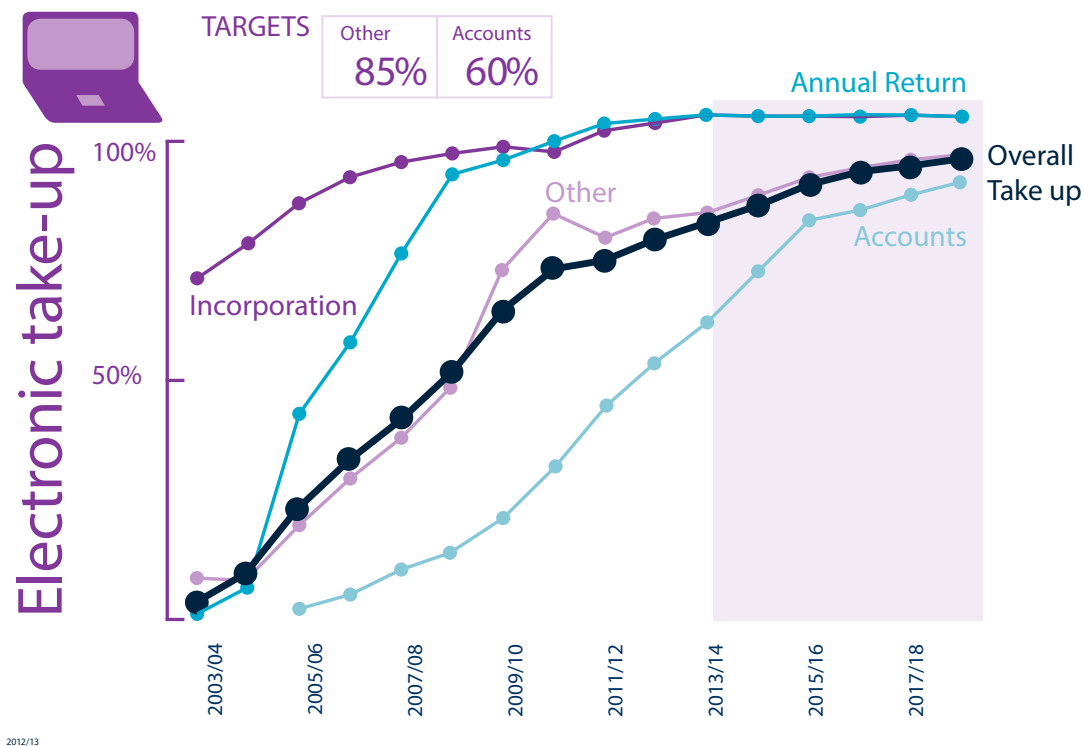
Brian Landers
Chair of Companies House



Tim Moss
Registrar for England & Wales
& Chief Executive of Companies House

Digital Transformation

Improving our digital services is a key focus for us this year. We began accepting digital filings in 1998, and since then have seen significant growth to 77% of all documents being filed digitally in 2013/14.



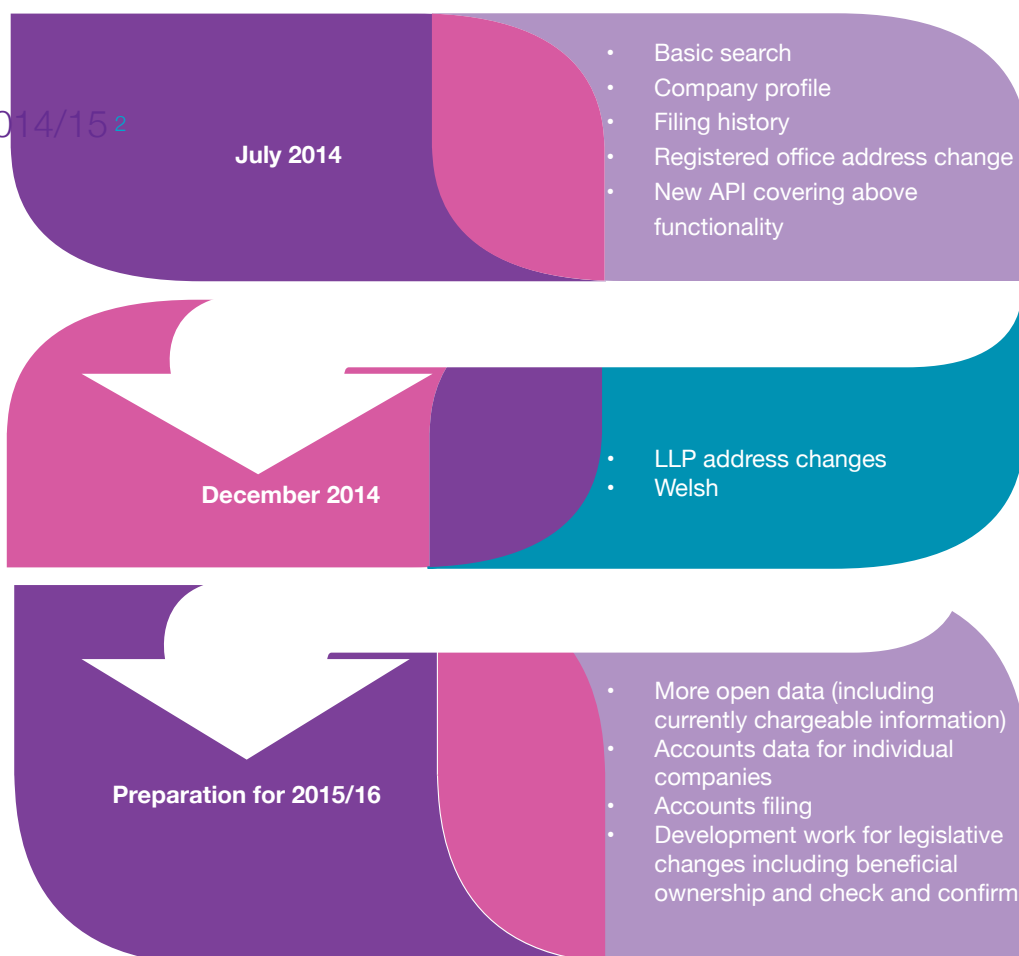
For 2014/15 we have set ourselves the challenging target to increase this figure to 81%. We will work with customers who currently file on paper, including the big accountancy bodies as well as individual customers, to encourage them to file digitally.

We will continue to develop our new web service, CHS, which will ultimately replace services including WebFiling, WebCheck and CH Direct.

In July 2014 we will launch the new service, initially with filing history and the ability to change registered office addresses.

Detailed planning for CHS will be concluded early in 2014/15, taking into account the timing of forthcoming legislative changes. The new system will provide our key filing services and support open data.

A Potential Timeline for 2014/15 ²



² subject to change once the legislative requirements are agreed

CHS is based on a new Application

to work closely with software

Programming Interface (API), which will allow 3rd parties including software filers to develop their own systems to interact with the register. The API will be made available this year and will eventually replace the XML gateway, so we will need

companies to help them migrate to the new service. Functionality will be available in line with the web service releases, however separate roll-out, communication and migration plans will be established.

We will replace the current HMRC/CH joint filing template. The new service will continue to enable companies to prepare and enter data once whilst filing twice (accounts to CH and Corporation Tax return to HMRC), but will offer significant improvements. For example, moving away from current technology will allow the service to be more flexible in the future to keep step with the demands of customers and accounting standards.

The new customer interface, designed in line with best practice across government, has already proved successful in early usability testing and gives an easy online way for companies to avoid the burden of providing the same data more than once to government. This is a prime example of CH working across government and regarded by both Ministers and officials as a priority in reducing burdens on business.

We will consider the best way to support our customers in the digital age. We will develop a new digital customer support strategy and engage with customers to understand how we best provide services, including bulk information, certificates

and copies and archive searches.

Our internal processes will also be improved and made digital wherever possible.

In 2014/15 Electronic Workflow (EWOK) will mean that we scan documents on receipt and then allocate and process these on screen, moving away from the previous paper processing and “back-end” scanning arrangements. Some information will be automatically captured using Optical Character Recognition (OCR) software. Following an initial roll-out covering our main document types, this will be expanded to include further forms during the year.

We will also continue to improve our support systems, including HR system improvements. This will bring new self-service attendance and absence tools and new online recruitment, expenses and performance management systems.

Our IT service management tool will be upgraded to a more automated, self service system.



Open Data



Open data is a core element of our strategy and will be supported by a focus on the principle of data in, data out as digital data can be processed and checked more efficiently and quickly.

Our digital services will also transform the way we can make the information on the register available. This in turn means more use will be made of company information, adding value to the economic activity that this underpins. The more open our data is, and the more it is viewed, the more trust and transparency is increased

as more people will be highlighting and challenging inaccuracies and inconsistencies.

During 2014/15 we will develop our systems and work with all our customer groups to prepare for a step change in open data in the following year. We will continue to charge for non-digital services, such as certificates and our on demand service to convert documents held on microfiche to digital formats. We will explore digital solutions for these services.

Quality & Integrity of the Register

One of the key themes of our strategic plan is to improve the quality of information on the register, dealing with any known issues and ensuring that we hold timely and effective information.

In 2014/15 we will establish a Register Integrity Branch from existing resources within the Customer Delivery Directorate (Technical Offences, Proof and Fraud, and Registrar's Powers teams) to focus on non-compliance and inconsistencies.

We will improve our analysis of information to identify patterns that warrant further attention, whether that is from CH or relevant enforcement bodies.

Our plans include:

- Engagement with other government organisations and enforcement agencies

- Customer contact to resolve non-compliance and inconsistencies
- Improved handling of director issues including overage, disqualified and bankrupt directors
- Analysis of integrity issues, such as shareholder changes compliance, mortgage redactions, URA (usual residential address) issues, name and number mismatch, returned mail, customer feedback, accounts issues, single alternative inspection location (SAIL) opt out
- Identify and pilot technical options for the data cleansing of 1 million registered office addresses (ROA)
- Communication with professional bodies to improve officer and ROA compliance

Preparing for future Changes

A significant amount of work will be required in 2014/15 to prepare for future changes.

This year the government is pursuing its Transparency and Trust agenda – where the UK seeks to lead the world – and measures from the consultation on Company Filing Requirements, which has its roots in Red Tape Challenge responses. The government is intending to legislate as soon as Parliamentary time allows. When this happens it will be the largest volume of change to Company Law since the Companies Act. We are preparing on the basis that the legislation could pass in the fourth session (2014/15).

Having worked in 2013/14 with colleagues in BIS to define the legislative changes required to make measures reality, we will in 2014/15 turn our attention to ensuring that we fully understand the practical changes required to implement the measures and that our customers are prepared.

The range of changes envisaged will be facilitated for our customers by the service developments outlined above, and broadly covers:

- **Trust and Transparency;**

CH's part in the implementation of the UK's G8 Action Plan commitments around corporate transparency and a range of related measures to improve confidence in the UK regime includes preparation for setting up a register of company beneficial owners, and changes to officer and share arrangements to enhance transparency and show who is behind a company.

- **Company Filing Requirements;**

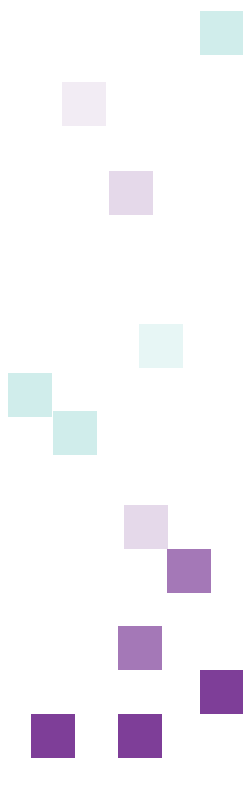
A package of deregulatory proposals based on those suggested by business as part of the Red Tape Challenge. These include encouraging companies to truly own their data, to check and confirm it when they wish and, if required, align this with accounts filing. Reducing and simplifying information requirements by allowing companies to hold company register information at CH and a range of other simplifications.

Making it easier and quicker to deal with problems when they do arise through measures designed to address registered office and director disputes, and a faster strike-off process.

The combined aim of these changes is to ensure more is known about who really owns and controls our companies, and improve the accuracy and integrity of the public register whilst also simplifying current filing requirements.

In addition to these changes we will also embark on implementing changes to Insolvency rules and planning for changes resulting from the EU Accounting Directive.

We will work throughout the year to plan for the implementation of, and initiate work on, all these anticipated changes and to ensure our customers and our partners in service provision are informed about and up to speed with new requirements.



Organisational Structure & Ways of Working

We will continue to develop our structure and ways of working, in line with the best digital service organisations.

Our culture will reflect our strong customer focus, our move to 100% digital services and high levels of staff engagement, innovation and empowerment.

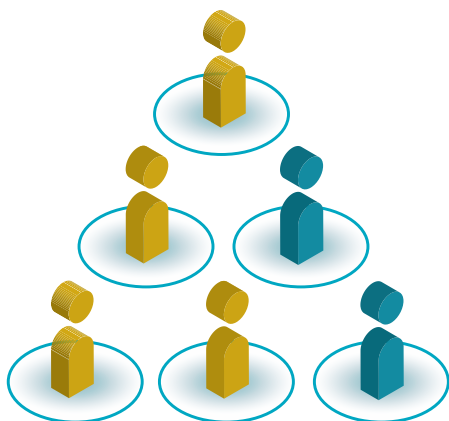
To support this we will review our organisational structure; currently we have hierarchal teams built around functional areas. Other structures may be better suited to a customer focussed digital services organisation with agile, innovative and empowered staff. We will implement a structure that supports culture change with a focus on collaboration, flexibility, appropriate risk taking and decision making at the most appropriate level. We will define the roles that will be required in the future and the skills we will need for these. A skills audit will identify what we can build on and where we might have gaps and we will invest heavily in learning and development to help prepare us all for the future, recruiting externally where necessary.

We will help all our staff to understand the changing requirements regarding skills, behaviours and attitudes and will continue to embed a robust approach to performance and continuous improvement. This will enable all staff to be clear about what is expected of them and what they can expect in return with particular reference to the type of work that will be carried out and the environment in which the work will be delivered.

We will continue to improve our working environment, equipment, systems and processes to ensure that these reinforce the type of organisation we want to be and act as enablers to change. We will also identify the different types of workers we have in the organisation and introduce multi-based working where appropriate. A new integrated desktop will be launched, providing easy access to all key systems, emails, documents and calendars from a single screen. This will include a new way of sharing business information similar to social media.

Our estates strategy will focus on providing a range of creative solutions within the office resulting in better workstations, more shared spaces to make it easier for people to collaborate and work more flexibly, as well as quiet areas and improved meeting facilities. Our training areas will also be redesigned to provide flexible solutions to learning requirements. Alongside this we will continue to lead the way in terms of introducing environmentally friendly initiatives across our sites to support the green agenda.

We will continue our focus on corporate social responsibility, ensuring CH behaves ethically, with a positive impact on business, society and staff.



Efficiency & Headcount

We have an excellent track record on efficiencies and reducing the average cost per company.

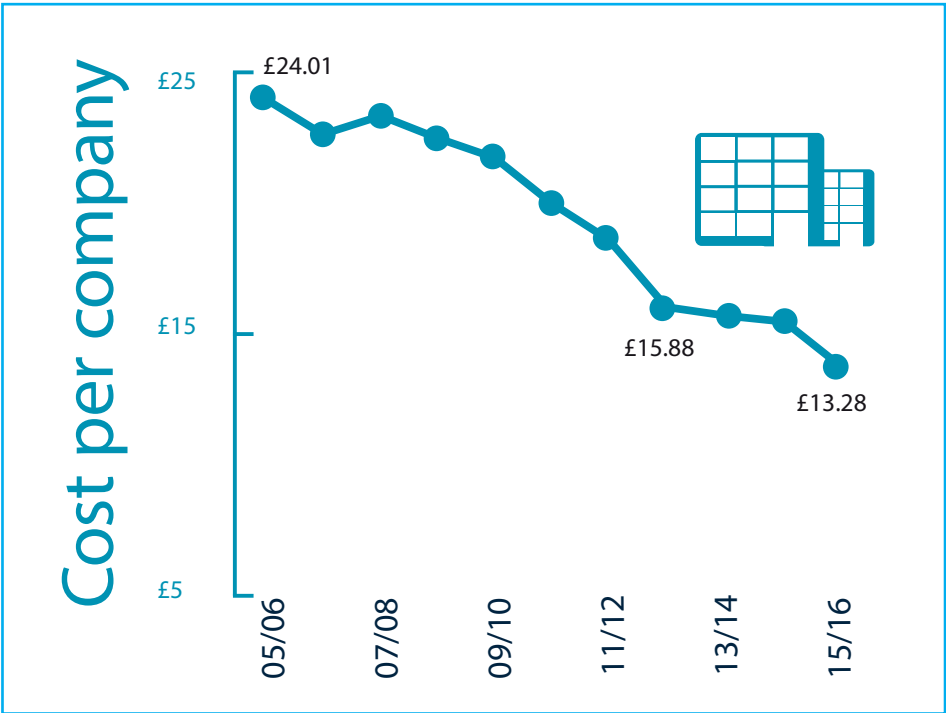
We will continue to carefully manage our costs and drive value for money in our purchasing contracts. In 2014/15, changes to our finance and HR systems will save £1m a year, with a further £170k saving from our new print contract. As more companies opt for our digital reminder service, further savings of up to £200k are anticipated. As in previous years, a detailed efficiency plan will be drawn up and managed to build on these examples.

As we make more of our services available on line and more customers use them, there will be an impact on workloads, the type of work we do and the skills needed. As a result of the expected growth in the rate of digital take-up, the review of our organisational structure and efficiencies in our support areas, there will be a reduction in the number of staff that we will need over the next few years.

This will be partly off-set by re-deploying staff into new roles, such as the Registry Integrity Branch. We will also recruit up to 23 new specialist staff into our development teams as part of our £4m investment in developing our digital services.

We will run a voluntary exit scheme (VES). The timing, confirmed numbers and eligibility to apply will be subject to further planning and consultation, although it is most likely that the scheme will run in the later part of the year.

Running voluntary schemes to address the need to reduce numbers is something that we have done several times in the past and now, as then, our intention is to manage the process without the need to resort to compulsory redundancies.



Details of the expected headcount changes are in the table below.

Headcount FTE

	01/04/2013	01/04/2014	Surplus	New Roles (re-Deploy)	New Roles (recruit)	VES	31/03/2015
Customer Delivery							
Customer Services	132	130	(15)	-	-	(15)	115
Service delivery & Compliance	388	374	(71)	28	-	(43)	331
Business Change	28	29	-	-	-	-	29
Customer Delivery Total	546	533	(86)	28	0	(58)	475
Digital Service							
Customer Insight & Comms	39	35	(3)	-	-	(3)	32
Business Solutions	142	154	-	-	17		171
Contractors	5	10	-	-	6	-	16
Digital Service Total	186	199	(3)	0	23	(3)	219
Strategy & Corporate Services							
Strategy & Policy	22	23	-	-	-	-	23
HR & Estates	48	46	(13)	-	-	(13)	33
Finance & Procurement (Inc LFP)	67	68	(2)	-	-	(2)	66
Strategy & Corporate Services Total	137	137	(15)	0	0	(15)	122
Executive & Legal							
Executive & Secretariat	11	12	-	-	-	-	12
Legal	5	6	-	-	-	-	6
Executive & Legal	16	18	0	0	0	0	18
Organisation Change	-	-	(37)	-	(7)	(30)	(37)
Total FTE (including)	887	887	(141)	28	16	(106)	797

Investment & Finance

We will make significant investments in 2014/15.

In addition to £4m for improvements to our digital services, we will also be investing in our IT infrastructure, new IT equipment to support flexible working and improvements to our office space, including open plan areas, meeting rooms, training facilities and the restaurant seating area.

Further investment will be available for environmental improvements; examples being considered include solar panels for water heating and server farm heat recovery.

In light of these and previous investments, our depreciation costs will increase £0.9m to £7.2m.

Our staff costs show a slight increase due to the additional recruitment into our IT teams; the plan assumes that savings from the VES scheme will apply in future years. The exact timing of exits is to be agreed and may potentially deliver savings in 2014/15 if these are before the year end.

LFP costs are expected to increase, with this off-set by a corresponding increase in income from the department to cover this.

We will also be providing additional funding for training and skills initiatives for our staff.

Overall, our planned income (£66m) and expenditure (£66m) for 2014/15 balances. The up-front investments, particularly for the VES scheme, which will generate savings for future years, mean that no surplus is forecast. Full details are included in the financial annexes.

These figures assume continued growth in the size of the register, from 3.3 million at the end of 2013/14 to 3.5 million at the end of 2014/15.



Companies House Finance Budget 2014-2015 Business Plan

Income statement (all £ millions)

2013-2014

2014-2015

Income

Incorporations	7.7	7.7
Annual Returns	34.4	37.1
Other Regulatory Income	6.3	5.9
Companies House Direct	5.8	5.8
WebCheck	1.6	1.6
Bulk	0.9	0.9
Other	0.2	0.2
Other Income (mostly rentals)	1.1	1.2
Total Income	58.0	60.4
Add:LFP	5.2	5.6
Trading Fund Income	63.2	66.0

Expenditure

Staff costs

Staff pay (pay,ni,pension)	25.8	26.8
Overtime	0.2	0.2
Corporate Efficiency Award	1.4	1.4
Other Staff Costs	1.2	1.7
Late Filing Penalties	1.7	1.7
Contractors	0.9	2.4
Capitalised Staff Costs	(2.5)	(4.2)
Total Pay Staff	28.7	30.0

Overheads

IT Costs	7.7	6.5
Customer Related	3.7	3.9
Admin & Legal	1.6	2.0
Accommodation	4.4	4.5
Late Filing Penalties	3.5	3.9
Total Overheads	20.9	20.8

Total Expenditure	49.6	50.8
VES	0.0	4.1
EBITDA	13.6	11.1
Depreciation & Impairment	6.5	7.2
EBIT	7.1	3.9
Interest Receivable	0.1	0.1
Operating Surplus	7.2	4.0
Dividend Payable	4.4	4.3
Surplus(Deficit)	2.8	(0.3)

Companies House Business Plan 2014-2015
Cash Flow (all £ millions)

	2013-2014	2014-2015
Profit after dividend payment	2.8	(0.3)
Estimated dividend	4.4	4.3
Add depreciation/impairment	6.5	7.2
Add working capital change	0.4	(0.6)
	14.1	10.6
Less Capital Expenditure		
Improvements to Working Environment	(0.5)	(1.0)
Improvements to IT Systems	(4.3)	(5.6)
Total Capital Expenditure	(4.8)	(6.6)
Less dividend paid	(4.1)	(4.4)
Net Cash Balances	5.2	(0.4)
Opening Cash Balances	32.5	37.7
Closing Cash Balances	37.7	37.3

Companies House Business Plan 2014-2015
Capital Expenditure (all £'000)

People, Property & Procurement

Office Modernisation	300
Restaurant Refurbishment	200
Environmental Work	450
	<hr/>
	950

Improvements to Customer Facing Systems

Permanent staff	2,034
Contractors	1,956
	<hr/>
	3,990

IT Infrastructure

Servers	845
Networks & Broadband Capacity	360
Integrated Desktop	150
Equipment refresh/Mobile Devices	260
	<hr/>
	1,615
Total	<hr/>
	6,555

Proposed Companies House Public Targets 2014/15

	Public	Customer	Process	Financial Performance	Staff Engagement	Digitisation
CH Direct services are available 99.7% of the time						
WebCheck Services are available 99.7% of the time						
WebFiling Services are available 99.7% of the time						
Software Filing services are available 99.9% of the time						
98% of document images ordered by search customers are available in the CH Direct download area within 35 seconds						
Achieve an overall satisfaction score of more than 88% in the Companies House Customer Satisfaction Survey conducted by Ipsos Mori by end Nov 2014						
To achieve a monthly soft compliance rate of 99% for accounts submitted to Companies House						
To achieve a monthly soft compliance rate of 98% for returns submitted to Companies House						
CEO to respond to all letters from MPs delegated to him to reply within 10 working days of receipt						
Ensure that the Average Working Days Lost per person is no more than 7.5 days						
To reduce carbon created from utilities by 10% per building user, at Crown Way (compared with previous year) by end of March 2015						
99.9% of electronic transactions received are available to view on the public record (image format) within 48 hours						
99.8% of electronic images on CH image system are complete and legible						
99.8% of paper images on CH image systems are complete and legible						
95% of all undisputed invoices are paid within 5 days of receipt (Target adjusted from Cabinet Office Target of 80%, to reflect previous years outcomes)						
Taking one year with another, to achieve a 3.5% average rate of return based on the operating surplus expressed as a percentage of average net assets						
Achieve by 2016/17 a reduction, in real terms, of 25% compared to 2013/14 in the operational monetary cost of the organisation's operational costs (3 year target)						
To achieve an average electronic filing target of 70% for accounts (received and accepted) by the end of the year						
To achieve an average electronic filing target of 87.5% for all transactions (excluding accounts) by the end of the year						