



The Insolvency  
Service

# Annual Plan 2017-2018



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# Chief Executive's Foreword

Our people are at the heart of making this agency successful and, since becoming Chief Executive just over two years ago, I have found them to be highly committed, talented and diligent – attributes that give me great confidence that we can successfully deliver even better public services.

I was incredibly pleased to see the improvements in our 2016 Civil Service People Survey results, especially our increased overall staff engagement score, which is testament to the hard work of our network of engagement champions and shows our people really are committed to making the agency a great place to work. However, this year we will strive for even better, and we aim to be a Civil Service high performer across our targeted People Survey measures, including staff engagement. To achieve this, we must continue to develop our people and to nurture their talent, whilst enhancing our approach to both how we reward and recognise their ongoing dedication – all of which are objectives within this plan.



I am pleased to welcome a new and highly anticipated addition to the agency. In January 2017, the former BEIS Criminal Enforcement team joined us, strengthening the service we deliver and our ability to protect creditors and consumers through the prosecution of misconduct identified in corporate and personal insolvencies. Integrating our new colleagues and their work is a high priority this year, but one that is eased by the synergies that already exist and the opportunities that closer working will bring.

I would also like to introduce our new Chair of the Board, Steve Allinson, who brings extensive experience of the insolvency sector to the chairman's role. Prior to his appointment, Steve already sat on our Board as a non-executive director, so he is very familiar with the work that we do. I look forward to working with Steve in his new role and the knowledge and challenge he brings.

The sector in which we work is, by its nature, very complex and challenging to predict. We provide demand-led services which are driven by economic factors far outside of our control. We felt the impacts of this last year, as the significant decline in annual case numbers experienced over the last few years plateaued. We also received higher than forecast income from historic payment protection insurance (PPI) claims and from the realisation of aged assets. These factors, including reduced expenditure against plans, led to a significant operating surplus in 2016-17.

However, without changes to our operating model and without transforming our services, we do not anticipate being in such a healthy budget position in future years. Our plans to develop our operating model will enable the agency to become more responsive and flexible; it will both establish the infrastructure required to deliver sustainable efficiencies across the breadth of our services, and drive more efficient, effective delivery of our core purpose – delivering economic confidence – with a skilled, high-performing and flexible workforce.

Implementing these changes will be a challenge, especially as we continue to deliver our services in the manner our customers have come to expect. But it is a challenge that brings many opportunities to improve and modernise the services we provide. This plan sets out our priorities for the year – priorities that will build the strong foundations required for the programme of change ahead.

This is a progressive plan – and it has to be if we are to successfully deliver our new operating model. It's also a stretching plan – and whilst that brings some uncertainties and risks, it also presents an array of opportunities to better meet our customers' needs, to improve our performance and to provide greater value to the taxpayer. I look forward to the year ahead and the challenges that it brings – and I would not be able to do that without the confidence I have in our employees' commitment, professionalism and their desire to deliver the best possible services for our customers.

# 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 give investors, lenders and creditors 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 internal and external changes. Over the past seven years, case administrations have fallen considerably, requiring us to adapt to a new insolvency landscape and remodel our resources accordingly; however, our expectations are that this downward trend has begun to plateau as case administrations levelled during 2016-17.

During 2017-18, we will initiate the delivery of our operating model through a series of foundation projects and continuous improvement activity. This work will pave the way for a comprehensive transformation that, by 2021, will:

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

This year, the following elements will support the delivery of our purpose:

### Processes

We will implement internal changes, embed continuous improvement and initiate projects with a view to streamlining our processes and becoming a more efficient agency. This initial work is paramount in supporting the wider delivery of our operating model, enabling us to become more agile, to proactively respond to the inevitable fluctuations in the level of demand for our services, and to deliver those services more quickly and at a lower cost.

## Customer

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

- people who are made bankrupt
- those seeking redundancy payments
- the insolvency practitioners who supervise insolvency proceedings
- directors of failed companies
- those owed money in an insolvency
- victims under the Victims' Code

We will do this by gathering more feedback from our customers, helping us to better understand their needs, critically evaluate our own performance and identify further areas for improvement.

## People

We will continue to build a confident, professional and high-performing workforce. We want employees to be highly engaged in delivering for our customers and well-supported to meet the needs of a changing organisation. We will also develop a workforce that feels both recognised and rewarded for their work and dedication.

## Policy

We will work with ministers to develop and deliver policy changes that will further modernise and strengthen the insolvency regime. We will also continue to work with our stakeholders to understand the risks and opportunities from exiting the European Union.

## Infrastructure

We will continue to integrate the former-BEIS Criminal Enforcement function, which now gives us the ability to investigate and prosecute those who fail to comply with corporate and insolvency law. We will also become more efficient by consolidating and synergising our functions, and we will assess our estate in line with our customer requirements.

## Sustainable resourcing

We will continue to deliver within the scope of the 2015-20 spending review. We will develop more efficient ways of supporting our front-line operations and deliver greater value for money.

The following sections of this plan provide further detail on our work and our objectives for 2017-18.

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.

The plan concludes with our people and infrastructure objectives and a summary of the agency's financial position, including our 2017-18 budget.



## 2. Ministerial targets

Our externally published targets are set by Ministers and demonstrate our performance against the needs of our customers and stakeholders. Our Ministerial targets are shown in the table below:

Ministerial target		2016-17 target	2016-17 performance	2017-18 target
Delivering economic confidence	Per cent of customers <sup>1</sup> who are satisfied with the Insolvency Service.	85% or greater	86%	85% or greater
Supporting those in financial distress	Average calendar days taken to action a redundancy claim.	16 days or fewer	15 days	14 days or fewer
	Per cent of redundancy claims actioned within six weeks.	95% or greater	96%	95% or greater
Tackling financial wrongdoing	Average time taken to obtain a disqualification.	24 months or fewer	21.4 months	21 months or fewer
	Average time taken to obtain a bankruptcy restriction.	11 months or fewer	10.7 months	10 months or fewer
Maximising returns to creditors	Per cent of reports to creditors issued within 15 calendar days of an attended interview <sup>2</sup> .	N/A (new measure for 2017-18)	N/A (not previously measured)	85% or greater
	Total value distributed to creditors.	£45m or greater	£46m	£55m or greater
Financial management	Expenditure to be managed within budget, and to produce an annual report that is laid before the Parliament summer recess with no audit qualifications.	Achieve <sup>3</sup>	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; i) insolvency practitioners.
2. Or where a decision is made that no interview is required or the agreed point of non-surrender.
3. 2016-17 target: Deliver against agreed budget and produce an annual report that is laid before the Parliament summer recess with no audit qualifications.



Members of the Insolvency Service senior management team discussing agency performance

# 3. Delivering economic confidence

## 3.1 Objectives

The Insolvency Service provides an internationally respected insolvency regime that helps 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 insolvency regime and we will work closely with ministers to develop and deliver policy changes.

Our work is fundamental in supporting the wider Department for Business, Energy & Industrial Strategy's (BEIS) vision: 'an economy that works for everyone – so that there are great places in every part of the UK for people to work and for businesses to invest, innovate and grow'. In 2017-18, the agency's work will support core elements of that vision as we continue to help build, improve and maintain business and investor confidence and drive responsible business practices. Our work also supports a thriving labour market and a competitive business environment, underpinned by effective governance.

The Government is also seeking to improve the UK's global position as an attractive place to invest and do business. It intends to do this by strengthening the corporate governance framework, allowing companies to take better decisions for their own long-term benefit and that of the wider economy. The agency will support this strategy, for example, by considering the adequacy of the safeguards and protections for investors, creditors, employees and pension scheme members from misconduct and mismanagement by directors. Likewise, our work will directly support the Government's 'Plan for Britain' as we support a stronger economy and help to 'crack down on individuals and businesses that abuse the system so that everyone – however big or small – plays by the same rules'.<sup>1</sup>

A key challenge this year will be the country's preparation to leave the European Union and the potential impact of Brexit across the breadth of services we deliver; however, our new operating model will give us the flexibility required to proactively tackle these challenges. Also, from April 2017, the newly modernised and consolidated insolvency rules will strengthen the insolvency regime and our work on corporate reforms, dissolved companies and redundancy.

We gather feedback from all of our key user groups and use this intelligence to respond to our customers' needs, critically evaluate our performance and highlight areas for improvement. This year, we will develop more informal engagement channels as we continue to enhance our work with stakeholders through better communications and by hosting an expanded annual forum, Insolvency Live!, in July. We are also revising our complaints handling process, and whilst these are low in volume – we typically receive just 20 or so a month – we will ensure that those who take the time to contact us are dealt with fairly and promptly, resulting in fewer upheld complaints at tiers two and three<sup>2</sup>. We have also recently introduced responses from the Chief Executive for all tier three complaints. All of which will enable us to gain greater, more frequent input from our customers, improving our insight and understanding of their user experiences, allowing us to better calibrate our operating model to our customers' evolving needs.

1. Excerpt from the Government's Plan for Britain - [www.planforbritain.gov.uk](http://www.planforbritain.gov.uk).

2. Our internal complaints process comprises of three escalating tiers, concluding with a Chief Executive review (the third tier). If individuals are dissatisfied with our review, their complaint can be referred to the Parliamentary and Health Service Ombudsman for independent review.





Nick Howard, Head of Insolvency Practitioner Regulation, presenting at the 2016 Insolvency Live! Event.

We will also continue to provide robust oversight of the work of those Recognised Professional Bodies (RPBs) that are responsible for the regulation of insolvency practitioners. New powers introduced in October 2015 enable us to take direct action against insolvency practitioners where it is in the public interest to do so, and to direct RPBs to take action where we feel necessary. A major review is taking place this year to test the effectiveness of the monitoring procedures operated by RPBs (particularly in respect of larger providers of consumer debt solutions). Additionally, following a public consultation, we will be assessing what changes may be necessary to improve the current insurance requirements placed on insolvency practitioners.

## 3.2 Targets

Performance Measure	2016-17 target	2016-17 performance	2017-18 target
3.2.1 Per cent of customers who are satisfied with the Insolvency Service. <sup>1</sup>	85% or greater	86%	85% or greater
3.2.2 Per cent of complaints answered substantively within 10 days.	85% or greater	87%	85% or greater
3.2.3 Per cent of complaints answered substantively within 20 days.	95% or greater	93%	95% or greater
3.2.4 Per cent of complaints upheld at tier two.	n/a (new)	33%	Less than 2016-17
3.2.5 Per cent of complaints upheld at tier three.	n/a (new)	19%	Less than 2016-17

1. Ministerial target.





# 4. Supporting those in financial distress

## 4.1 Objectives

We provide a number of services that support those in financial distress, from our new online adjudicator, which takes the stress of attending court out of 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 also provide debt solutions to some of the most vulnerable people in society through Debt Relief Orders. These are specifically aimed at those with low levels of unmanageable debt, minimal surplus income and little by way of assets. In 2017-18, we will continue to deliver our services quickly and professionally, reducing the distress that financial difficulty brings.

We value and regularly seek feedback from our customers, and whilst this is often very positive, it does not mean we cannot improve how we deliver those services. Modernising service delivery in 2017-18 and beyond is a core component in developing our new operating model.

Within our trustee and liquidator functions, we will seek options that will allow case work to be completed concurrently rather than sequentially, such as by developing centres of excellence; meaning outcomes could be reached more quickly and at lower cost, whilst ensuring a quality service.



Our Insolvency Enquiry Line Team – recently commended for Effective Leadership as part of the national ‘A Brilliant Civil Service’ awards.

## 4.2 Targets

Performance Measure	2016-17 target	2016-17 performance	2017-18 target
4.2.1 Average calendar days taken to action a redundancy claim. <sup>1</sup>	16 days or fewer	15 days	14 days or fewer
4.2.2 Per cent of redundancy claims actioned within six weeks. <sup>1</sup>	95% or greater	96%	95% or greater
4.2.3 Per cent of Debt Relief Orders determined with 48 hours.	95% or greater	99%	95% or greater
4.2.4 Per cent of lost calls to the Insolvency Enquiry Line.	5% or fewer	Unavailable <sup>2</sup>	5% or fewer
4.2.5 Average call wait-time for the Insolvency Enquiry Line.	Within 60 seconds	Unavailable <sup>2</sup>	Within 60 seconds

1. Ministerial target.

2. 2016-17 performance unavailable due to the failure of our call logging technology.



# 5. Tackling financial wrongdoing

## 5.1 Objectives

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

We also 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 or in our making disclosures to other regulators and prosecuting authorities.

In January 2017, our remit was widened as we welcomed the former-BEIS Criminal Enforcement function, giving us the ability to investigate and now prosecute those who fail to comply with corporate and insolvency law. In 2017-18, we will focus on integrating our new function, supporting the delivery of enforcement outcomes, providing better public services and further boosting confidence in the marketplace.

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 proceedings, we place restrictions on their ability to obtain credit in the future. Where we identify potentially criminal offences, we refer them to our Criminal Enforcement Team (or other relevant authority) which will prosecute in appropriate cases.

In 2017-18, we will continue our investigations into British Home Stores (BHS) and Keeping Kids Company – two key cases that remain firmly within the public interest – and we will take enforcement action where necessary.

Working on such large, high profile cases will naturally have an impact on our resources, so it is important that we continue to develop more efficient investigation processes, whilst maintaining their effectiveness. This year, we will expand the scope of our successful expedited investigations process, ensuring that disqualification and bankruptcy restriction undertakings are obtained at the earliest opportunity, whilst ensuring fair treatment of the defendant.

We will also develop more proportionate case administration which, coupled with our expedited processes, will free up valuable investigator capacity, enabling more enforcement outcomes to be delivered with the same resource. Also, in a move that aligns us with other prosecuting bodies, we will no longer target the per cent of investigations that result in enforcement outcomes, as this can lead to more cautionary investigative behaviours. Instead, we will monitor enforcement rates, allowing us to act should we see deviations from our expectations.

Integration of our criminal enforcement teams also presents opportunities for closer working and earlier identification of appropriate cases. All of our work in pursuit of earlier disqualifications and prosecutions will benefit the economy by minimising the harm caused by rogue individuals and by enhancing our stakeholders' confidence in the agency's enforcement regime.



Welcoming our new criminal enforcement colleagues at a dedicated event in London

## 5.2 Targets

Performance Measure	2016-17 Target	2016-17 performance	2017-18 Target
5.2.1 Average months taken to obtain a disqualification. <sup>1</sup>	24 months or fewer	21.4 months	21 months or fewer
5.2.2 Average months taken to obtain a bankruptcy restriction. <sup>1</sup>	11 months or fewer	10.7 months	10 months or fewer

Enforcement outcome planning assumptions	Lower	Upper
5.2.3 Disqualifications	1,220	1,290
Bankruptcy and Debt Relief Restrictions	440	460
Live Companies Investigations	150	160
Criminal Investigations resulting in positive resolutions	150	200

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 fail. 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.

This year, as part of our new operating model, we are developing more efficient and effective processes to ensure our trustee and liquidator roles deliver increased value for public money, with quicker outcomes and maximised returns to creditors.

We will improve the intelligence we hold and put it to better use, enabling us to more effectively triage the cases we receive and apply proportionate case administration. Supporting this will be process changes that allow us to complete casework concurrently, rather than sequentially, and to conclude cases sooner.

We will ensure that creditors receive better quality information on insolvent estates. This will be driven by completing more timely interviews and by enhancing the way we deal with assets.

During the year, we will also increase the capability of our employees in handling more complex asset realisations and ensuring that where a debtor can afford to pay towards their debts, that they do so (such as via income payment agreements/orders), enabling greater returns to creditors. Accompanying this will be more efficient use of resources in our distribution teams, enabling us to make dividend payments from the Insolvency Service Account more efficiently and rapidly. This will benefit the economy by returning funds into circulation sooner and ensuring the impact on creditors is minimised.



The Insolvency Service winning the Team of the Year award at the 2016 Turnaround, Restructuring and Insolvency Awards. The agency was awarded for the work of the Official Receiver and team on the liquidation of the SSI Redcar steel mill.

## 6.2 Targets

Performance Measure	2016-17 target	2016-17 performance	2017-18 target
6.2.1 Per cent of Bankruptcy Orders made by the Adjudicator within two working days.	95% or greater	94%	96% or greater
6.2.2 Average calendar days to complete the first interview for debtor bankruptcies.	10 days or fewer	9 days	10 days or fewer
6.2.3 Average calendar days to complete the first interview for creditor and complex debtor bankruptcies.	30 days or fewer	39 days	21 days or fewer
6.2.4 Average calendar days to complete the first interview for compulsory winding up cases.	55 days or fewer	63 days	29 days or fewer
6.2.5 Per cent of reports to creditors issued within 15 calendar days of an attended interview <sup>1,2</sup> .	n/a (new measure)	n/a (new measure)	85% or greater
6.2.6 Value of distributions to creditors. <sup>2</sup>	£45m or greater	£46m	£55m or greater

1. Or where a decision is made that no interview is required or the agreed point of non-surrender.
2. Ministerial target.



# 7. People

## 7.1 Objectives

Each and every individual within the agency plays a vital role in delivering our highly valued services and achieving our objectives. In 2017-18, it is paramount that we continue to harness and nurture the skills and experience of our employees and further improve the way we engage with them.

Our objective is to enable and encourage our workforce to be the best they can be, with the valued blend of skills, experiences and backgrounds that a diverse workforce brings.

All our employees drive the agency's performance and, if we are to attain sustainable, good performance against a backdrop of ever-evolving demands, we need to focus on our ability to successfully deliver change. We will support this through developing the skills, resilience and leadership of our people and aid them by providing the necessary tools, capabilities and policies. This will be a key element of delivering the changes to our operating model.

The results of the 2016 People Survey were a great achievement for the agency, with increased positive responses across all themes, including overall employee engagement. We are now considered Civil Service high performers for half of the themes covered by the survey; however, it is crucial that we build on those findings and use them to underpin our engagement approach as we move forwards.

In 2017-18, we will continue to build our apprentice and talent programmes to ensure that individuals, who demonstrate the right skills, behaviours and leadership, are best placed to drive agency performance, contribute to our diversity agenda and are encouraged to learn and develop within the agency.

We will enhance our performance management approach, ensuring that it is both forward-looking, developmental, and supports accountability, and that employees feel they are valued for their effort, commitment and the difference they make. Likewise, we will continue to recognise and celebrate the success of all our employees, and in 2017, we will hold our 5<sup>th</sup> annual GEM awards for those who go the extra mile to make a difference, contributing to our purpose and role-modelling our values.

Further improving our ability to engage our people continues to be a significant objective. This year, we will build on the successes and actions of our organisation-wide network of Engagement Champions by encouraging more staff to get involved and by ensuring they have dedicated space and time to continue making a positive difference.



Claire Poyser (right), Employee of the year 2016, being presented with her 'Going the Extra Mile' (GEM) award by Vicky Bagnall, Director of Investigation and Enforcement Services.

Also this year, we will continue to grow our offer to help people drive their own learning. We will support employees in building their skills and capability through our leadership offering and by reviewing and refreshing our technical offer. These will be sustained by programmes covering role-modelling, mediation and coaching. All of which will help ensure that we have a capable workforce with the right skills to deliver the objectives within this plan.

## 7.2 Targets

Performance Measure	2016-17 target	2016-17 performance	2017-18 Target
7.2.1 Average working days lost per employee (sickness absence).	Seven days or fewer	7.4	Seven days or fewer
7.2.2 Number of apprenticeship starts.	34	29	30 (2.3% of the England workforce)

Civil Service People Survey results	2016-17 target	2016-17 performance	2017-18 Target
7.2.3 Employee Engagement Index.	Increased score (from 51%)	59%	To become a civil service high performer
7.2.4 Employees who have personally experienced bullying or harassment at work.	Decreased score (from 12%)	10%	
7.2.5 Employees who have personally experienced discrimination at work.	Decreased score (from 11%)	10%	
7.2.6 I feel that change is managed well in the Insolvency Service.	Increased score (from 24%)	35%	

# 8. Infrastructure

## 8.1 Objectives

As an agency we deliver a varied service offering. Some of those services are particularly complex, some less so, and some have commonalities between them. Such complexity, over time, can organically result in functional silos which may be inefficient when services are considered in the round.

It is, therefore, important that we become one cohesive agency, which is greater than the sum of our parts – a core element of the work to implement our new operating model. In 2017-18, we will continue to address the barriers that sometimes exist between our functions and we will seek out and investigate those commonalities, consolidating and streamlining them as required in pursuit of service-wide improvements.

We will also embed our continuous improvement agenda throughout the year; a key tool that will both empower and engage the staff actually undertaking the work to identify, own and deliver efficiencies both within their own area of expertise and across our services.

Working in line with the government's IT strategy, we will harness better technology to change and improve the way we work. In 2017-18, we will begin work to replace our current financial and HR management systems; we will also make preparations to retender our IT service provision and to procure a successor for our core case management systems.

Our estates strategy will also be developed as part of our operating model's redesign, and we will be considering options for our future estate presence in line with customer needs and operational requirements.

# 9. Financial position

## 9.1 Objectives

Delivering within the scope of the 2015-20 spending review, coupled with the variable demand for our services, remains a challenge for the agency. However, our new operating model and the actions identified in this plan, will enable us to become a more scalable, flexible and resilient agency.

We have already delivered significant reductions to our cost base, which has seen reductions of £12.1m since 2014-15<sup>1</sup> to our staffing, estates and technology expenditure. In 2017-18, we will seek further opportunities to enhance value for public money whilst absorbing £6.5m of transformational change costs for our new operating model.

There are several key financial assumptions within our 2017-18 budget, including: case volumes at around 18,100, and our BEIS funding allocation being £42m.

## 9.2 Targets

Performance Measure	2016-17 target	2016-17 performance	2017-18 target
9.2.1 Expenditure to be managed within budget, and to produce an annual report that is laid before the Parliament summer recess with no audit qualifications. <sup>2</sup>	Achieve <sup>3</sup>	Achieved	Achieve
9.2.2 Per cent of supplier invoice payments within five days working days. <sup>4</sup>	80% or greater	85%	80% or greater
9.2.3 Per cent of supplier invoice payments within 30 calendar days. <sup>4</sup>	100%	95%	100%

1. Excluding the impact of new 2017-18 costs following the transfer of the Criminal Enforcement function.

2. Ministerial target.

3. 2016-17 target: Deliver against agreed budget and produce an annual report that is laid before the Parliament summer recess with no audit qualifications.

4. Cross-government target.



## 9.3 Budget

Agency total			
	2016-17		2017-18
	Budget £000	Outturn £000	Budget £000
Income/Funding			
Case Administration Net	38,519	46,748	46,524
Over Recovery (Additional Income)	4,830	10,528	5,800
BEIS funded Investigation, Policy & CET <sup>1</sup>	32,252	33,252	40,757
HMRC Redundancy Funding	7,588	7,616	7,320
Other Fee Funded Activity	13,548	14,618	14,022
BEIS Non-Cash Funding	1,414	1,414	1,311
	98,151	114,176	115,734
Operating Expenditure	Budget £000	Outturn £000	Budget £000
Staff Costs - Perm	59,508	54,879	66,956
Staff Costs - Non-Perm	1,694	5,039	3,123
	61,202	59,918	70,079
Estate	10,235	9,915	10,715
Legal	7,844	5,841	8,235
IT (incl. Projects IT costs)	9,219	7,453	11,516
Other	12,801	4,049	12,217
	101,301	87,176	112,763
Operating (Deficit)/Surplus <sup>2</sup>	(3,150)	27,000	2,972

1. Criminal Enforcement costs are new for 2017-18.

2. 2016-17 budget vs outturn variance primarily driven by: higher than forecast income received from case administration, historic PPI claims and from the realisation of aged assets, as well as reduced expenditure against plans.