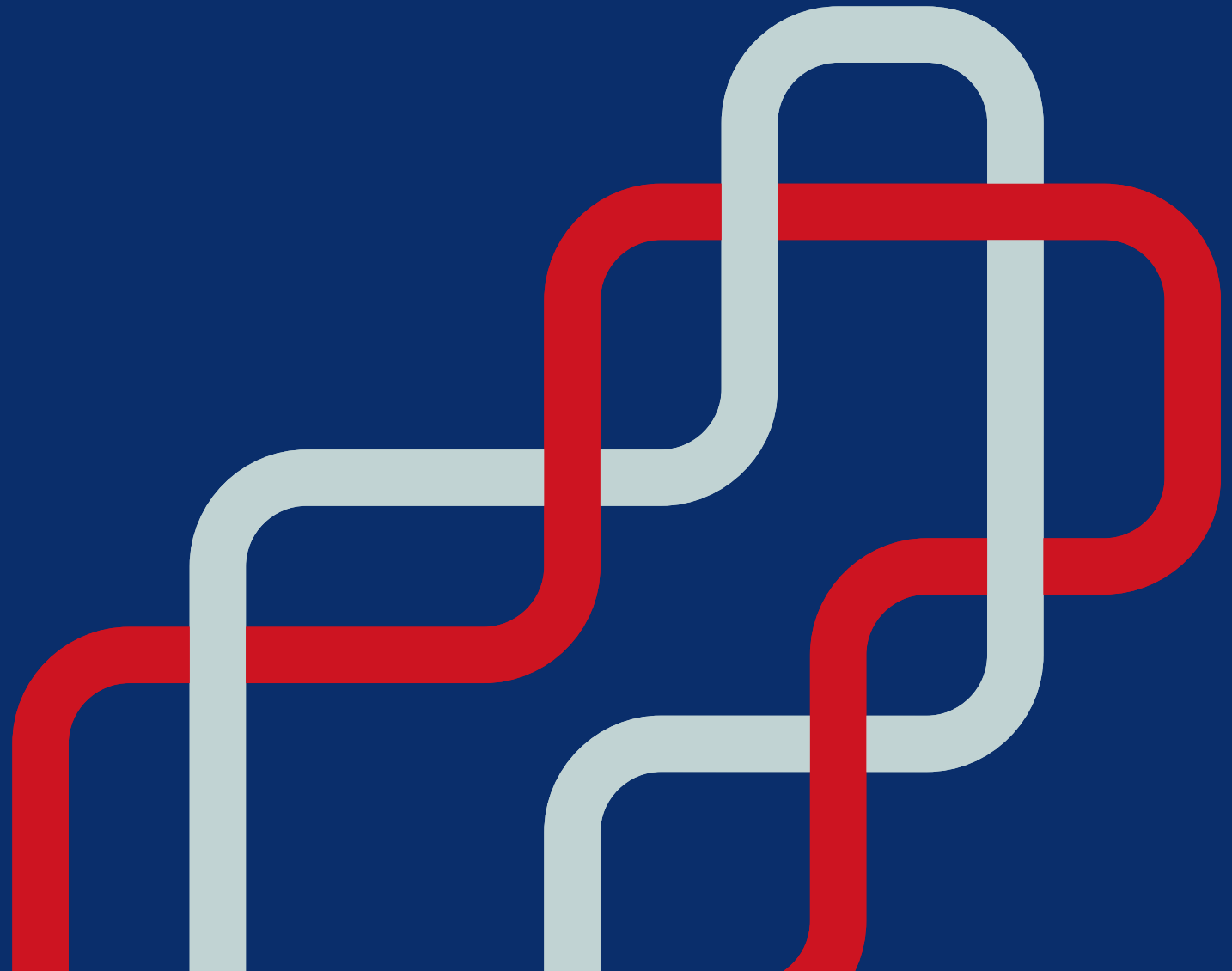




The Insolvency  
Service

# Annual Plan 23-24



## Joint introduction from the Chair and Chief Executive



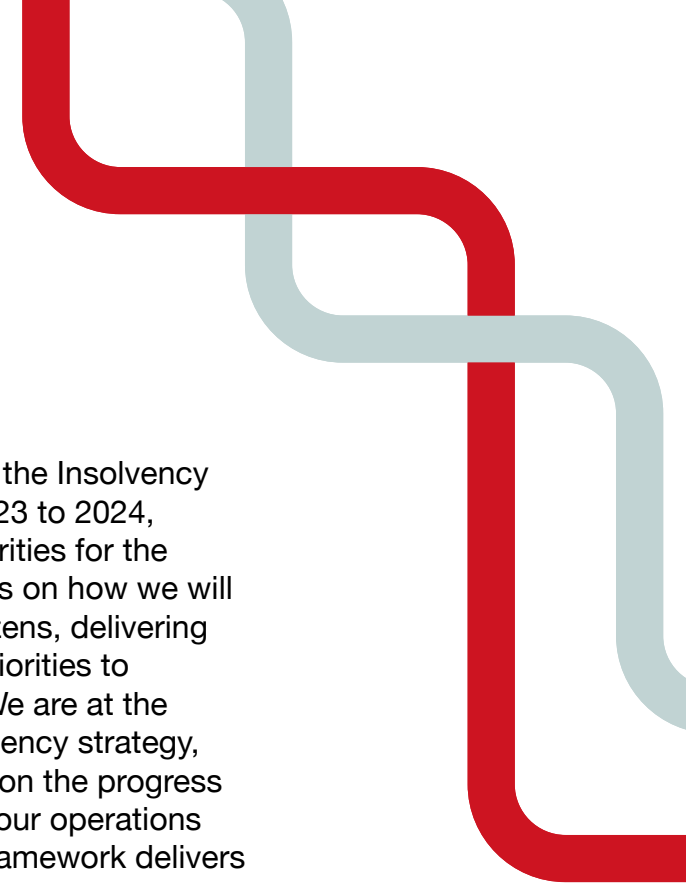
**Mark Austen**  
(Chairman)



**Dean Beale**  
(CEO)

We are pleased to introduce the Insolvency Service's Annual Plan for 2023 to 2024, setting out the agency's priorities for the year ahead. The plan focuses on how we will support businesses and citizens, delivering against the Government's priorities to support economic growth. We are at the mid-point of our five-year agency strategy, and plans for this year build on the progress we have made to transform our operations and ensure the insolvency framework delivers for our stakeholders and the economy.

This year's plan focuses on impacts, with clear, ambitious outcomes for our customers, our stakeholders, and our people.



Our vision is to be at the centre of a fair, efficient, and effective insolvency system that is a global leader in insolvency solutions for citizens and businesses. A system that is supported by a profession that is recognised for the highest professional, technical, and ethical standards when carrying out its work. To do this we will continue our work developing the insolvency framework to provide effective, consistent regulation and promote a vibrant and innovative profession. We will work with the insolvency profession to increase diversity within the sector, ensuring those working within it reflect the wider population they serve.

Customer satisfaction remains at the heart of our service delivery as we expand our digital programme, automating 250,000 more customer transactions per year, improving the customer journey, and delivering operational efficiencies.

Our mission to support economic confidence and tackle financial wrongdoing means that we are a key part of the government's response to tackling Covid-19 Financial Support misconduct. In 2022/23 we took successful enforcement action against 566 directors and individuals who abused the government's financial support packages during the pandemic, and we will strengthen our focus this year and increase our efforts on other enforcement priorities. Working with Companies House and the Department for Business and Trade, we will support the improvements to the integrity of the companies register through our enforcement work and we will continue to develop our anti-money laundering intelligence capability to support cross-government action to tackle economic crime.

We will also support the Government's Help to Grow programme by providing new guidance for directors whose businesses face financial difficulties, helping them to avoid insolvency wherever possible.

The transformation and modernisation of our offices across England, Scotland and Wales continues as we build our regional centres and create new environments that support collaborative working with modern accessible facilities for our people and our customers. We will also introduce a new programme aimed at building leadership capability across the agency.

Our plans will be successfully delivered by our dedicated, professional, and flexible workforce supported by modern technology and a culture of continuous improvement.

Though suitably ambitious we are confident that we shall achieve the objectives set out in our plan and deliver quality outcomes for our customers, businesses, and stakeholders in the year ahead.

**Mark Austen (Chairman) and Dean Beale (CEO)**



## Annual plan highlights

### For our customers we will:

- Digitise our services to make them easier to use, automating 250,000 more customer transactions per year by 2024
- Provide new guidance and support to help directors make informed decisions about the financial health of their business
- Publish the findings of the Government's review of Personal Insolvency and develop proposals to improve the regime for people in financial distress
- Investigate misconduct and take effective actions according to risks identified in our annual strategic assessment, maintaining our focus on fraud related to Covid 19 financial support schemes.

### For the insolvency profession we will:

- Continue work to develop the insolvency framework to ensure it provides effective, consistent regulation, and promotes a vibrant and innovative profession
- Continue our work in collaboration with the sector to increase diversity within the profession.





### For our people we will:

- Embed our new agency values both within our organisation and working with our stakeholders
- Build our regional centres, creating offices that support collaborative working with modern accessible facilities for our people and our customers
- Embed our new skills tool across the agency to support continuous improvements to capability and flexible deployment of skills where needed
- Introduce a new programme aimed at building leadership capability across the agency for the future
- We will deliver our Inclusion First Strategy to continue to build an inclusive culture as well as developing our outreach strategy to improve diversity within our organisation and the wider industry.

### For our organisation we will:

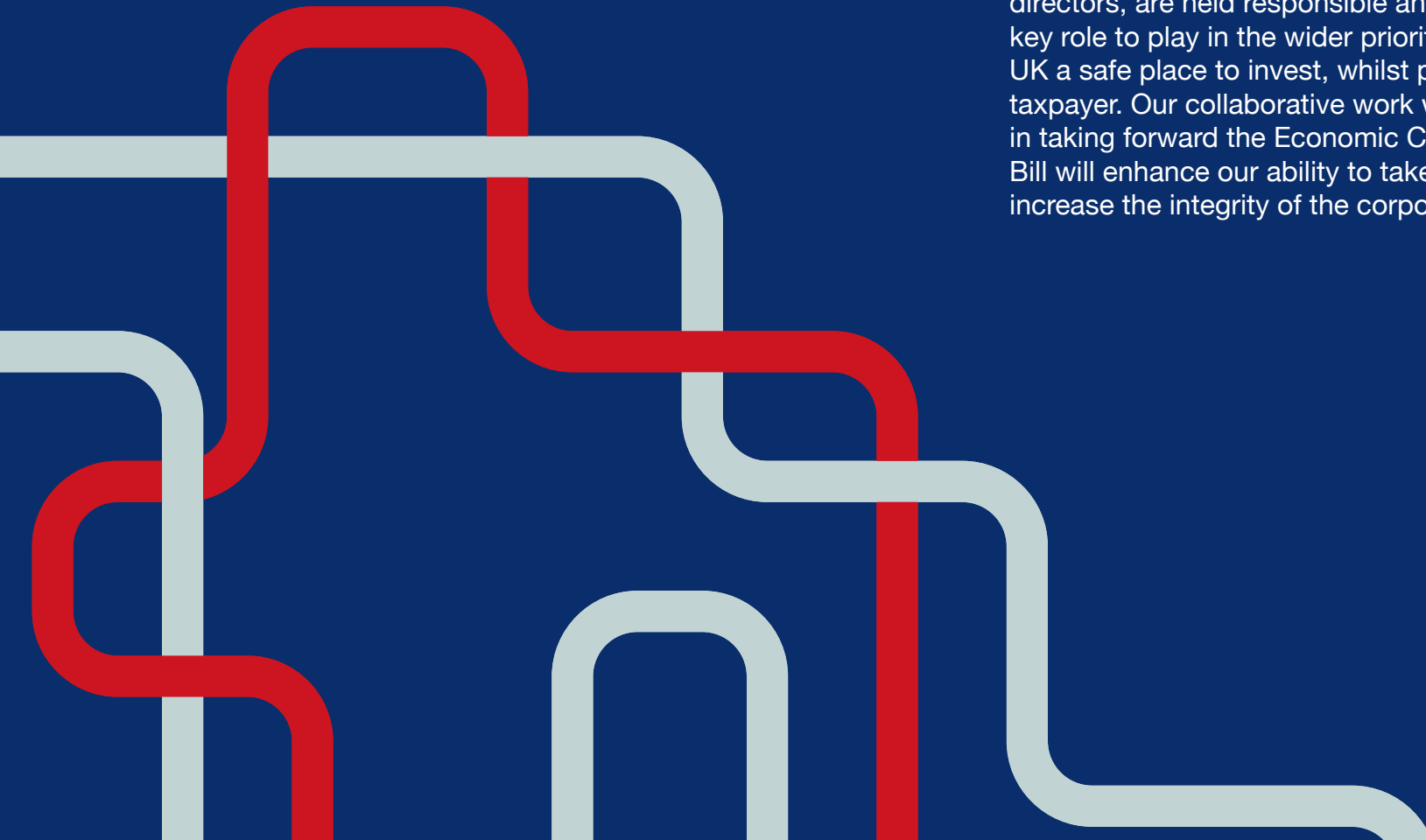
- Work with Companies House and the Department for Business and Trade to improve the integrity of the companies register through our enforcement work
- Develop our anti-money laundering intelligence gathering capability to support cross government action to tackle economic crime
- Enhance our investigation capability through the delivery of new forensic computing facilities and gaining accreditation through the internationally recognised quality management system (ISO 17025)
- Introduce capability to investigate insolvency-related criminal offences in Scotland, to align with our activities in England and Wales
- Complete the development of our Future Case Management Capability ready for launch in Spring 2024
- Introduce new technology to drive improved business outcomes through better use of data
- Embed our sustainability strategy with the development of a new Carbon and Energy Management Plan, new waste procedures and a new Sustainable Procurement Policy
- Introduce an enhanced strategic workforce plan to enable improved cross-agency working and future capability planning



## Our plan for the third year of our agency strategy

The themes that underpin our five-year strategy, launched in November 2021, provide the framework in which to deliver and develop our services to support businesses and consumers, and deliver economic confidence.

Our plan supports the Department for Business & Trade (DBT) in delivering its key priorities to protect consumers and support businesses to thrive through having a regulatory regime that provides a level playing field for business and ensures companies, and directors, are held responsible and accountable. We also have a key role to play in the wider priorities of Government in making the UK a safe place to invest, whilst providing value for money for the taxpayer. Our collaborative work with Companies House and DBT in taking forward the Economic Crime and Corporate Transparency Bill will enhance our ability to take robust enforcement action and increase the integrity of the corporate regime.



# 1. Strengthen and improve the insolvency framework

## Outcomes

Our vision is for the Insolvency Service to be at the centre of a fair, efficient and effective insolvency system that is a global leader in insolvency solutions for citizens and for businesses, underpinned and supported by a profession that is recognised for the highest professional, technical and ethical standards when carrying out its work.

Our ongoing multi-year research concerning confidence in the regime has indicated that stakeholders and customers are largely confident in the insolvency regime and that they agree it plays a vital and effective role in promoting economic stability and growth. We will continue to work with our stakeholders to ensure that their views are heard and that our customers' needs are at the forefront of our decision making.





Outcomes	Activity	Measures
<p><b>Improved transparency</b></p> <p><b>Improved reputation</b></p> <p><b>Improved trust</b></p>	<ul style="list-style-type: none"> <li>• Implement the findings of our consultation on introducing two new model laws to facilitate cross border insolvency (UNCITRAL consultation), subject to Ministerial agreement</li> <li>• Implement the Government’s response to its consultation on reforming the way insolvency practitioners are regulated</li> <li>• Publish the findings of the Government’s review of Personal Insolvency and develop proposals to improve the regime for people in financial distress</li> <li>• Implement a refreshed stakeholder engagement programme to enhance transparency and trust in relation to what we do</li> <li>• Consult on changes to our official statistics publications to improve trustworthiness, quality and value to users.</li> <li>• Continue work to develop the insolvency framework to ensure it provides effective, consistent regulation, and promotes a vibrant and innovative profession</li> </ul>	<p>Stakeholder confidence in the insolvency and enforcement regime qualitative survey</p> <p>World Bank survey “Business Enabling Environment: Business Insolvency” (Due in 25/26)</p>

## Performance metrics

Measure	21/22	22/23	23/24	24/25	25/26
<b>Stakeholder confidence in the insolvency and enforcement regime qualitative survey</b>	Qualitative stakeholder survey	Qualitative stakeholder survey		Qualitative stakeholder survey	Qualitative stakeholder survey
<b>World bank “Business Enabling Environment: Business Insolvency” survey findings</b>	14th (on previous measure)				New World Bank “Business Enabling Environment” Survey findings (will provide benchmark for future years)

## Delivery plan

Apr	May	Jul	Sep	Nov	Dec	Mar	24/25	25/26
<p>Publish the response to the consultation on UNCITRAL model laws</p> <p>Consult on changes to our official statistics publications</p>	<p>Publish the findings of the Personal Insolvency Review</p>	<p>Host Insolvency Live!</p>	<p>Establish a new stakeholder panel</p> <p>Begin implementation of changes to official statistics publications</p>	<p>Host policy and technical conference</p>	<p>Subject to parliamentary time, implement new UNCITRAL model laws</p>	<p>UNCITRAL model laws come into force</p>	<p>Further regulatory and policy development</p>	<p>Review stakeholder engagement</p> <p>Commence UNCITRAL model laws evaluation exercise</p>



## 2. Strengthen our reputation and impact in investigation and enforcement

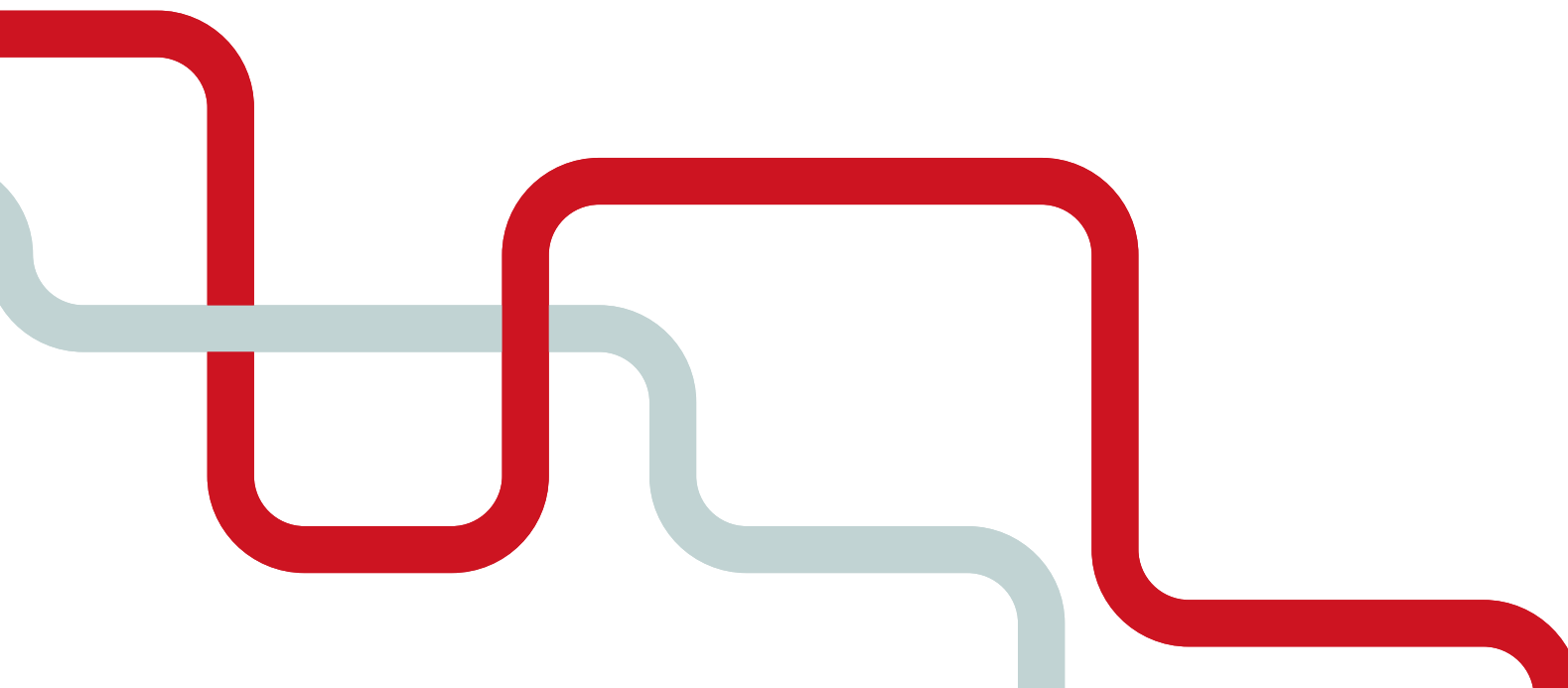
### Outcomes

We help to deliver economic confidence by tackling financial wrongdoing, evidenced by successful investigations and enforcement actions. Raising awareness of the impact of our investigation and enforcement work will help to ensure that people are aware of their legal duties and obligations and are deterred from breaking them.

Our survey on the confidence in the enforcement regime showed that some stakeholders were largely unaware of the overall enforcement regime and the legislative framework that underpins it, and that more could be done to communicate successful outcomes to promote transparency about what we do. We aim to raise awareness in this area and enhance our reputation for taking effective action to address financial misconduct.



Outcomes	Activity	Measures
<p><b>Improved investigative and enforcement effectiveness</b></p> <p><b>Improved reputation</b></p> <p><b>Improved standards of corporate behaviour</b></p>	<ul style="list-style-type: none"> <li>• Develop our anti-money laundering intelligence gathering capability to support cross government action to tackle economic crime</li> <li>• Enhance our investigation capability through the delivery of new forensic computing facilities and gaining accreditation through the internationally recognised quality management system (ISO 17025)</li> <li>• Investigate misconduct and take effective action according to risks identified in our annual strategic assessment, maintaining a focus on fraud related to Covid-19 financial support schemes</li> <li>• Introduce capability to investigate insolvency related criminal offences in Scotland, to align with our activities in England and Wales</li> <li>• Improve our stakeholder engagement activity to enhance transparency and trust in relation to what we do</li> <li>• Work with Companies House and the Department for Business and Trade to improve the integrity of the companies register through our enforcement work</li> </ul>	<p>Stakeholder confidence in the insolvency and enforcement regime qualitative survey</p> <p>Covid-19 Support Scheme misconduct and fraud related outcomes as a percentage of all disqualification and criminal outcomes</p> <p>Number of investigations and enforcement of new offences arising out of Companies House reform and the Economic Crime and Corporate Transparency Bill</p>



## Performance metrics

We provide transparency about our investigation and enforcement activities through regular publication of detailed data in our quarterly scorecard Insolvency Service corporate scorecard summaries - GOV.UK ([www.gov.uk](http://www.gov.uk))

Measure		21/22	22/23	23/24	24/25	25/26
<b>Stakeholder confidence in the insolvency and enforcement regime qualitative survey</b>		Qualitative stakeholder survey	Qualitative stakeholder survey		Qualitative stakeholder survey	Qualitative stakeholder survey
<b>Covid-19 Support Scheme misconduct and fraud related outcomes as a percentage of all disqualification and criminal outcomes<sup>1</sup></b>	<b>Target</b>	-	-	Increase	*	*
	<b>Actual</b>	16%	48%			

\* We expect to see a reduction in Covid Scheme related outcomes during 24/25 as we work through the pool of Bounce Back Loan cases. Resources will be redirected towards priorities identified in the revised Strategic Assessments in 24/25 and 25/26.

<sup>1</sup>This target seeks to ensure that addressing covid support fraud remains a key priority for overall enforcement activity, as such we want to see 49% or more of our total enforcement outcomes related to this type of misconduct

## Delivery plan

Apr	Jul	Oct	Nov	Dec	24/25
ISO17025 pre-inspection application	Economic Crime and Corporate Transparency Bill Royal Assent	Money laundering capability - go live	First case referrals from Companies House following Royal Assent	ISO 17025 Accreditation received	First full year of Companies House referrals.
Scottish criminal training complete	New Forensic computing capability goes live				Review of Forensic Computing delivery

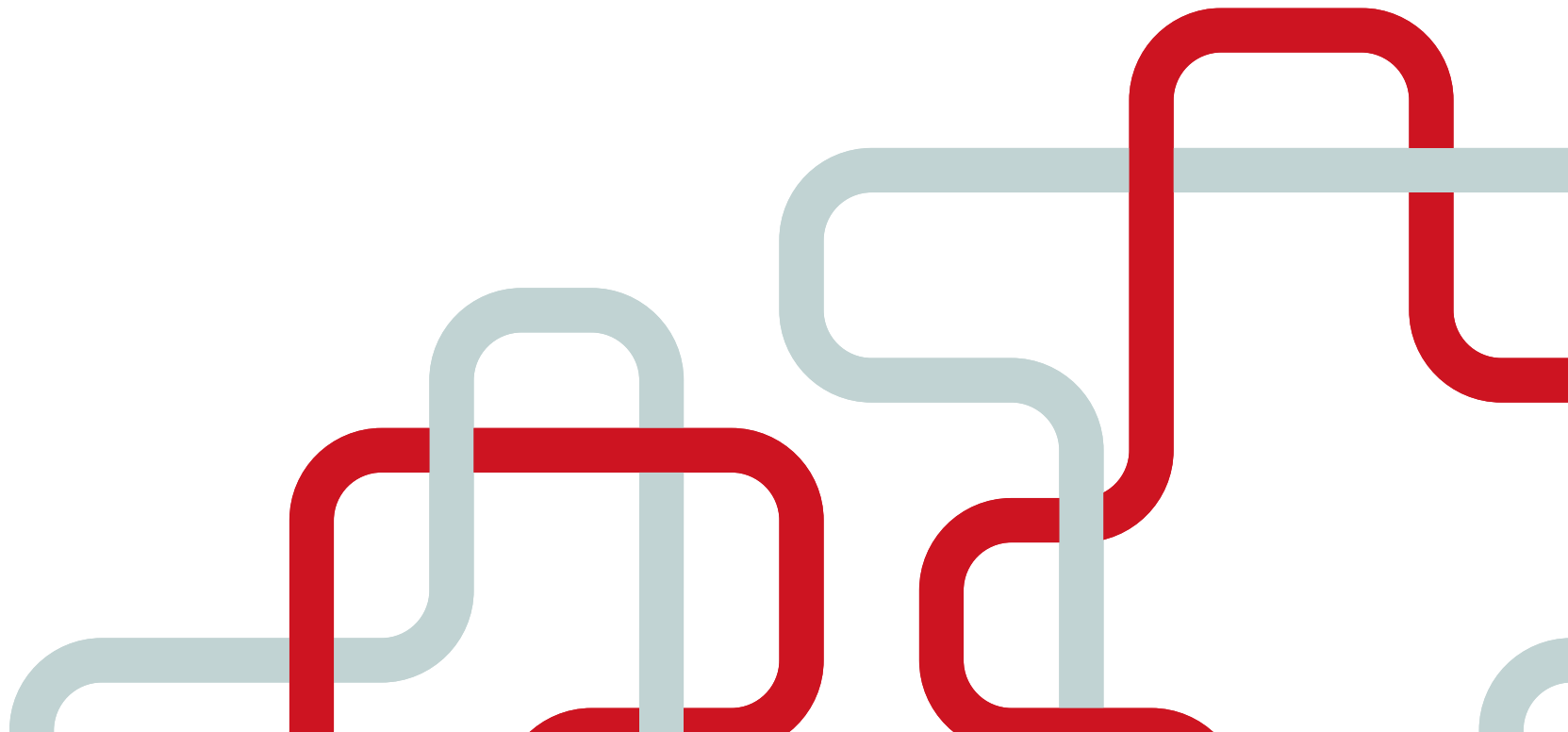
### 3. Sharpen our operating focus



#### **Outcomes**

The essential public services provided by our operational teams help those in financial distress and facilitate the best possible outcomes for those impacted by insolvency. This year we will deliver on our commitments to make it easier for our customers to interact with us, providing new digital services and making better use of customer insight.

Outcomes	Activity	Measures
<p><b>Improved customer focus</b></p> <p><b>Improved efficiency</b></p> <p><b>Improved stakeholder confidence</b></p>	<ul style="list-style-type: none"> <li>• Launch a new digital service for our customers, replacing our paper-based reports to creditors and proof of debt forms with online submissions and reporting options</li> <li>• Introduce new tools and embed a data driven culture that will drive operational decision making, and make best use of continuous process improvement techniques to enhance our effectiveness</li> <li>• Complete development of our Future Case Management Capability ready for launch in Spring 2024 to deliver significant increases in efficiency and improved customer service</li> </ul>	<p>Customer satisfaction score</p> <p>Percentage of report to creditors issued within 15 days of interviewing (or a decision that no interview is required) in bankruptcy and liquidation cases</p> <p>Percentage of Breathing Space statutory notices issued electronically</p> <p>Average number of days to process redundancy payment claims</p> <p>Volume of cases where a distribution is made</p> <p>Value of distributions to creditors and debtors</p>



## Performance metrics

Measure		21/22	22/23	23/24	24/25	25/26
Customer satisfaction score	Target	84% or better	84% or better	84% or better	84% or better	84% or better
	Actual	84%	82%			
Percentage of Breathing Space statutory notices issued electronically	Target	-	85% or better	85% or better	86% or better	87% or better
	Actual	-	86%			
Percentage of report to creditors issued within 15 days of interviewing (or a decision that no interview is required) in bankruptcy and liquidation cases	Target	92% or better	93% or better	94% or better	95% or better	95% or better
	Actual	95%	96%			
Average number of days to process redundancy payment claims	Target	14 days or less	14 days or less	14 days or less	14 days or less	14 days or less
	Actual	12	14			
Volume of cases <sup>1</sup> where any distribution is made	Target	-	-	19,000	**	**
	Actual	-				
Value of distributions to creditors and debtors	Target	-	-	£39m	**	**
	Actual	-	£45.7m			

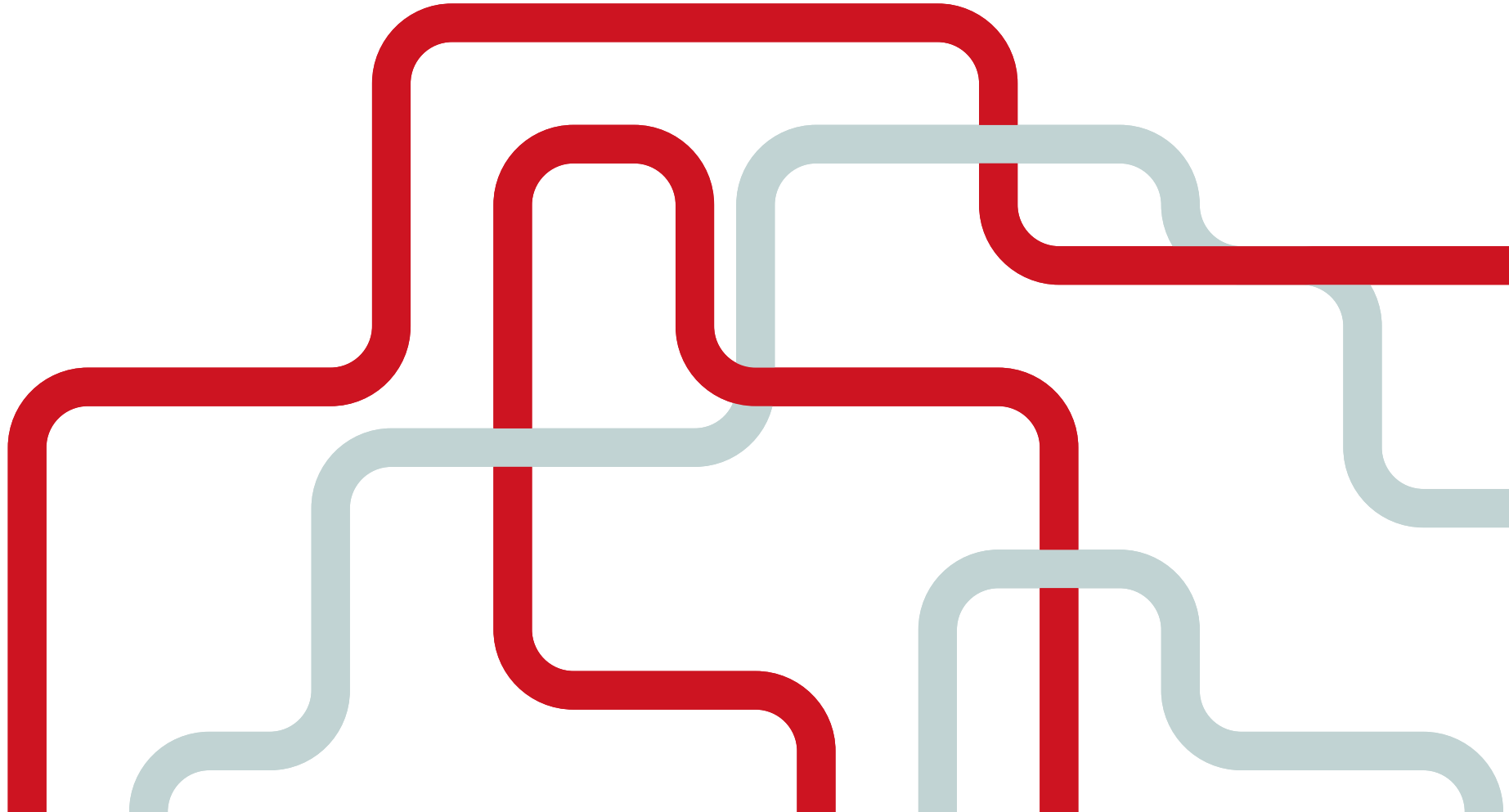
\*\* We will put forecasts in for future years in the next iteration of the plan.

<sup>1</sup> The majority of these cases are PPI cases with relatively small balances that are under £1,500 per case on average



## Delivery plan

Jun	Oct	Mar	24/25
Redundancy payments service improvements complete	Customer insight review starts	Customer insights review complete	Assess impact of customer changes



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

### Outcomes

We will increase the capability and knowledge of company directors and improve their awareness of their legal duties and obligations and how to avoid insolvency where possible or manage it properly if it is unavoidable.

A lack of education and guidance for directors whose companies were experiencing financial difficulty was identified in our confidence survey, where it was apparent that directors' awareness of their obligations and liabilities about corporate insolvency varied considerably but was typically low. We want to do more to make directors of companies aware of their options and responsibilities.



Outcomes	Activity	Measures
<b>Improved awareness of the rules and deterrence from breaking them</b>	<ul style="list-style-type: none"> <li>Provide new guidance and support to help directors make informed decisions about the financial health of their business</li> </ul>	Satisfaction with content  Number of people accessing the hub

### Performance metrics

Measure		23/24	24/25	25/26
<b>Satisfaction with content</b>	Target	75%	75%	75%
	Actual			
<b>Number of people accessing the hub</b>	Target	Establish benchmark	Increase	Increase
	Actual			

### Delivery plan

July
New guidance and support for company directors launched



## 5. Shape and modernise our technology and infrastructure

### **Outcomes**

Modernising our technology and infrastructure to keep pace with the digital society will deliver benefits to our customers, our people, and our agency. Our customers will be able to access our services more easily with improved channels to provide and access information digitally. Our people will be using modern, reliable systems that provide them with the right tools to undertake their roles more effectively with automated high-volume processes enabling them to focus on more complex work.

This will enable our agency to be more flexible, managing peaks and troughs in workload in a more responsive and efficient way, minimising impact on our customers and people. It will strengthen security and controls around our physical and digital assets and enable us to demonstrate the value of technology to the wider business and society.

Outcomes	Activity	Measures
<p><b>Improved technical resources</b></p> <p><b>Staff have the right tools</b></p> <p><b>Improved customer experience</b></p> <p><b>Improved value for money</b></p> <p><b>Improved security</b></p>	<ul style="list-style-type: none"> <li>Digitise our services to make them easier to use, automating 250,000 more customer transactions per year by 2024, and making customer forms more accessible and secure</li> <li>Complete the development of our Future Case Management Capability (INSSight) ready for launch in Spring 2024</li> <li>Modernise our IT provision by delivering a programme to equip our people with new devices, increasing productivity and reliability</li> <li>Introduce new technology to drive improved business outcomes through better use of data</li> <li>Develop new digital document production services to put end-users in control of document content and layout</li> <li>Introduce new collaboration tools enabling our people to work-together effectively wherever they are</li> <li>Continue our programme to reduce our estate footprint from 19 offices to 11 regional centres, fit for the future and our customer base</li> </ul>	<p>User experience – people survey response to how user community feels about the tools to do their job</p> <p>Customer service – net effort score</p>

## Performance metrics

Measure		21/22	22/23	23/24	24/25	25/26
<b>User experience – people survey response to how user community feels about the tools to do their job</b>	Target	55%	57%	60%	65%	70%
	Actual	58%	58%			
<b>Customer service – net effort score</b>	Target	-	83%	83%	84%	86%
	Actual	81%	81%			

## Delivery plan

Jun	Aug	Sept	Dec	Feb	Mar	24/25	25/26
Legacy remediation project completed	Enhanced controls increase cost transparency	Digital strategy complete  Rollout of new devices commences	Reading colleagues relocated to regional centre  All high transaction volume forms updated & digitised	Blackpool & Birkenhead colleagues relocated to regional centres	New digital Document Production Service live  DRO and Adjudicator digital service changes available	Bristol & Plymouth colleagues relocated to regional centres  Cyber essentials compliance achieved  New INSSight solution live for ORS case management and EAS accounting  Transition to enterprise corporate reporting solution complete  Report to Creditors & Proof of Debt enter full live service	Brighton, Chatham & Southampton colleagues relocated to regional centres



## 6. Shape the agency as a great place to work

### Outcomes

Our ambition is to have a flexible workforce empowered and rewarded to develop their capability and professional skills. We want to be an employer of choice where people are engaged and leadership, particularly through change, is recognised as a strength in all our leaders. This will help enable us to meet fluctuations in demand quickly and easily, and be agile enough to adopt new ways of working effectively and efficiently.

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

Outcomes	Activity	Measures
<p><b>Improved change leadership</b></p> <p><b>Improved demonstration of values</b></p> <p><b>Create an Agency that fulfils career aspiration and where our people want to stay</b></p>	<ul style="list-style-type: none"> <li>• Introduce a new programme aimed at building leadership capability across the agency for the future</li> <li>• Build our regional centres, creating offices that support collaborative working with modern accessible facilities for our people and our customers</li> <li>• We will deliver our Inclusion First Strategy to continue to build an inclusive culture as well as developing our outreach strategy to improve diversity within our organisation and the wider industry</li> <li>• Embed our new skills tool across the agency to support continuous improvements to capability and flexible deployment of skills where needed</li> <li>• Continue to develop the Insolvency Service as a great place to work, embedding our new agency values both within our organisation and working with our stakeholders</li> <li>• Introduce an enhanced strategic workforce plan to enable improved cross-agency working and future capability planning</li> <li>• Undertake a detailed analysis of attrition at the agency to inform policy changes designed to improve staff retention</li> <li>• Embed our sustainability strategy with the development of a new Carbon and Energy Management Plan, new waste procedures and a new Sustainable Procurement Policy</li> <li>• Progress a project to identify and prepare for implementation a shared HR service with 7 other organisations linked to DBT by Spring 2026</li> </ul>	<p>Leadership and Managing Change score in the people survey</p> <p>My manager people survey theme score</p> <p>Employee engagement index</p> <p>Operational energy consumption and associated carbon emissions</p> <p>Attrition rate</p> <p>Percentage of in scope procurement activities including Social Value and Environmental Sustainability criteria at a minimum of 10% of actual score</p> <p>Percentage of roles filled against our resourcing profile</p>



## Performance metrics

Measure		21/22	22/23	23/24	24/25	25/26
<b>Leadership and Managing Change score in the people survey</b>	Target	-	-	54% – 57%	57% – 60%	Equal or better CS benchmark
	Actual	56%	52%			
<b>My manager people survey theme score</b>	Target	-	-	Increase	Increase	Increase
	Actual	82%	82%			
<b>Employee engagement index</b>	Target	65%	65%	62%	Equal or better CS benchmark	Equal or better CS benchmark
	Actual	62%	59%			
<b>Percentage of roles filled against our resourcing profile</b>	Target	-	95%	95%	95%	95%
	Actual	-	99%			
<b>Staff attrition rate</b>	Target	-	-	<10.5%	<10.5%	<10.5%
	Actual	10.6%	10.8%			
<b>Percentage of in scope procurement activities including Social Value and Environmental Sustainability criteria at a minimum of 10% of actual score</b>	Target	100%	100%	100%	100%	100%
	Actual	-	100%			
<b>Operational energy consumption and associated carbon emissions<sup>2</sup></b>	Target	-	-	Est. baseline	30% reduction	30% reduction
	Actual	-	-			

<sup>2</sup>Our annual report contains information on our energy consumption and associated carbon targets in previous years. This is a new target that goes beyond the Greening Government commitments as part of our new Sustainability Strategy.

## Delivery plan

Apr	May	Jul	Oct	Dec	Mar	24/25	25/26
Leadership diagnostics completed	Skills tool professions and metrics data available	Leadership offer outlined and agreed	People Survey	Sustainable procurement policy agreed	People survey results published	Carbon and Energy Management Plan in place  Embed the new Sustainable Travel Plan	Environmental Management System in place  Matrix shared services programme



## 7. Sharpen our financial model to ensure sustainability

### Outcomes

Our official receiver operations are funded out of fees charged on cases, and income is dependent on case numbers and profiles. As such, fluctuations in the volumes and types of cases we receive can affect our ability to cover our costs and plan for future years. Case numbers have been particularly volatile in the recent past, during and following the pandemic, and this has served to highlight the need for a sustainable financial model. We have undertaken work to both drive down costs and increase income where possible and continue to pursue opportunities to ensure that our funding base matches our activity. Our new case management system will lead to further efficiencies when implemented in 2024.

Given recent inflationary pressures we will need to consider whether to seek to make changes to any of our fees in 2023/24. We are also assessing further opportunities to reduce our corporate (particularly IT) cost base. We have already launched our Transforming Workplaces project which will reduce our estates footprint by about half, driving down annual estate costs.



Outcomes	Activity	Measures
<p><b>Improved financial sustainability</b></p> <p><b>Improved efficiency</b></p>	<ul style="list-style-type: none"> <li>• Review of current fees and consider whether changes are necessary</li> <li>• Identify opportunities for further efficiency savings and put in place plans to realise them</li> <li>• Assess opportunities to access other funding sources to reduce our funding deficit</li> <li>• Implement a consistent process to manage and report operational and corporate efficiencies</li> </ul>	<p>Payment of supplier invoices to agreed cross-Government timescales</p>

### Performance metrics

Measure		21/22	22/23	23/24	24/25	25/26
Percentage of supplier invoices paid within 5 working days	Target	80%	80%	80%	80%	80%
	Actual	96%	96.1%			
Percentage of supplier invoices paid within 30 calendar days	Target	100%	100%	100%	100%	100%
	Actual	100%	99.2%			

## Delivery plan

Apr	May	Jun	Jul	Dec	Jan
Aftercare Team Live Non-ORS Financial Sustainability – Phase 2 start	Benefits Management/efficiency Model Live Non-ORS Financial Sustainability – OBC Approval	Non-ORS Financial Sustainability – Fee review recommendations	Commencement of delivery of IT cost reduction recommendations	Non-ORS Financial Sustainability – Outsourcing recommendations	Non-ORS Financial Sustainability – FBC Approval



## Functional standards in the agency

Functions enable excellence and consistency in the delivery of policy and services across government. They form a framework for collaboration across organisational boundaries and support efficient and effective delivery of public services. Each government function has developed a standard, to guide everyone who works within that function across government. They form a suite of management standards that support consistent and coherent ways of working, both within government organisations and across organisational boundaries. There are currently 14 functional standards covering subjects such as project delivery, human resources, finance and internal audit.

The Insolvency Service is committed to ensuring our activities, processes and systems are aligned to those of our functions and their standards, in a way that is proportionate and meets the agency's business needs and priorities. Every function in the agency has appointed a Head of Function and each one has undertaken an assessment against their standard and incorporated identified improvements into their business plans.

## Our finances

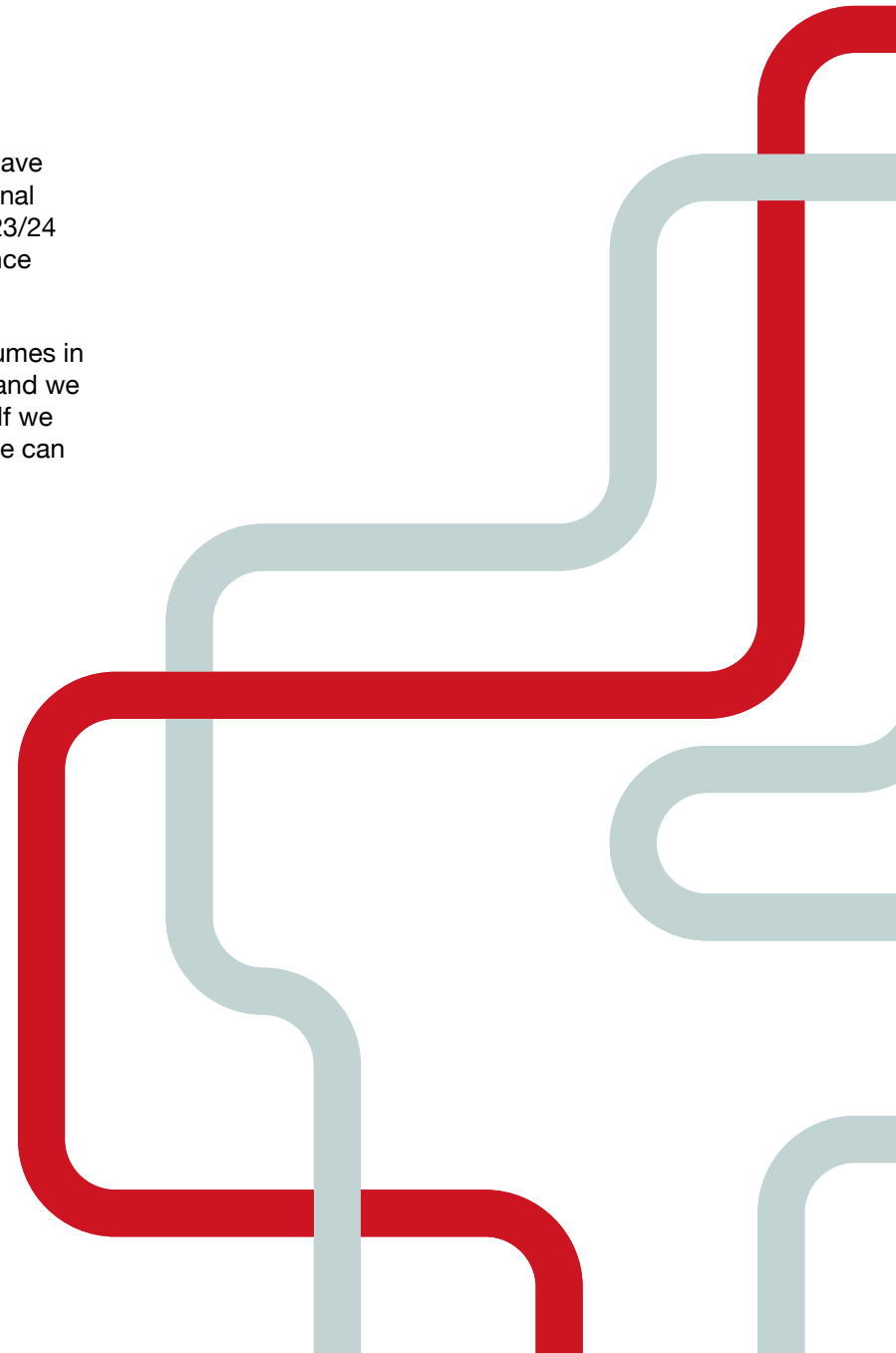
£m	22/23	23/24	24/25
<b>Resource</b>	<b>Final</b>	<b>Indicative</b>	<b>Indicative</b>
Service Delivery - BAU	40.7m	40.7m	40.7m
Service Delivery - Additional	11.2m	10.2m	12.4m
Transformation	23.8m	18.5m	12.5m
Depreciation (inc. IFRS 16)	8.6m	8.1m	7.8m
<b>Total Resource</b>	<b>84.2m</b>	<b>77.5m</b>	<b>73.3m</b>
<b>Capital</b>			
Transformation	5.9m	2.2m	3.9m
IFRS 16	1.5m	9.4m	14.0m
<b>Total Capital</b>	<b>7.4m</b>	<b>11.6m</b>	<b>17.9m</b>
<b>AME</b>			
Redundancy Payments	450.0m	450.0m	450.0m
Other	0.3m	0.3m	0.3m
<b>Total AME</b>	<b>450.3m</b>	<b>450.3m</b>	<b>450.3m</b>
<b>Total</b>	<b>541.8m</b>	<b>539.4m</b>	<b>541.5m</b>

The Agency's Spending Review settlement provided significant additional funding for our strategic investment and specific investigation & enforcement initiatives, to the total value of £100.6m across the period, however a sustained period of high inflation has reduced the spending power of our allocations. We will continue to invest in our new case management system, and modernising our IT systems and infrastructure, to deliver increases in efficiency and improved customer service. Increased funding for investigations and enforcement will be targeted at tackling Covid-19 related fraud and investigating dissolved companies and tax avoidance schemes.

Based on our best estimate of case volumes we expect the deficit in our fee-funded Official Receiver Service to be £13.8m in 2023/24, reducing to £11.7m in 2024/25 and £11.3m in 2025/26. This is assisted by our work under the ORS Financial Sustainability project, which is specifically focused on tackling the deficit, reducing our exposure to the financial risk from volatility in demand and aiming to limit the funding from government to cover shortfalls in fee income. More widely, we will continue work to develop our longer-term financial plans, seeking to integrate the financial benefits of our change programme and other efficiency initiatives.

Outside of the Spending Review process, we have secured, along with Companies House, additional Economic Crime Levy related funding from 2023/24 to develop our anti-money laundering intelligence gathering capability.

We expect Redundancy Payment Services volumes in 2023/24 to remain at similar levels to 2022/23 and we are in discussions with HMRC, on whose behalf we run this service, to agree funding and ensure we can deliver to this level of demand.





## Agency Financial Position 21/22 to 25/26

£m	21/22	22/23	23/24	24/25	25/26
<b>Resource</b>	<b>Outturn</b>	<b>Outturn</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget<sup>1</sup></b>
Resource Funding	(70.5m)	(84.2m)	(77.5m)	(73.3m)	(73.3m)
Service Delivery - Income	(65.0m)	(58.2m)	(61.0m)	(66.6m)	(69.2m)
Service Delivery - Expenditure	119.7m	118.5m	125.7m	131.4m	133.6m
Transformation	8.5m	17.4m	18.5m	12.5m	12.5m
Depreciation (incl. IFRS 16)	7.4m	7.9m	8.1m	7.8m	7.8m
<b>Resource (Surplus)/Deficit<sup>2</sup></b>	<b>0.1m</b>	<b>1.4m</b>	<b>13.8m</b>	<b>11.7m</b>	<b>11.3m</b>
<b>Capital</b>					
Capital Funding	(4.4m)	(7.4m)	(11.6m)	(17.9m)	(17.9m)
Transformation	1.9m	0.1m	2.2m	3.9m	3.9m
IFRS 16	1.0m	(0.9m)	9.4m	14.0m	14.0m
<b>Capital (Surplus)/Deficit</b>	<b>(1.4m)</b>	<b>(8.2m)</b>	<b>0.0m</b>	<b>0.0m</b>	<b>0.0m</b>
<b>AME</b>					
AME Funding	(450.3m)	(450.3m)	(450.3m)	(450.3m)	(450.3m)
Redundancy Payments	450.0m	450.0m	450.0m	450.0m	450.0m
Other	0.4m	(2.6m)	0.3m	0.3m	0.3m
<b>AME (Surplus)/Deficit</b>	<b>0.1m</b>	<b>(2.9m)</b>	<b>0.0m</b>	<b>0.0m</b>	<b>0.0m</b>
<b>Total (Surplus)/Deficit</b>	<b>(1.2m)</b>	<b>(9.7m)</b>	<b>13.8m</b>	<b>11.7m</b>	<b>11.3m</b>

<sup>1</sup> Plans in 25/26 are dependent on the level of funding secured during the next spending review and as such the 25/26 figures in the table above represent a potential funding scenario.

<sup>2</sup> Resource deficits in 23/24 onwards reflect a deficit in our Official Receiver Services function due to a shortfall between fee income and service costs based on latest ONS informed insolvency case volume estimates. The shortfall is being held as a departmental risk.