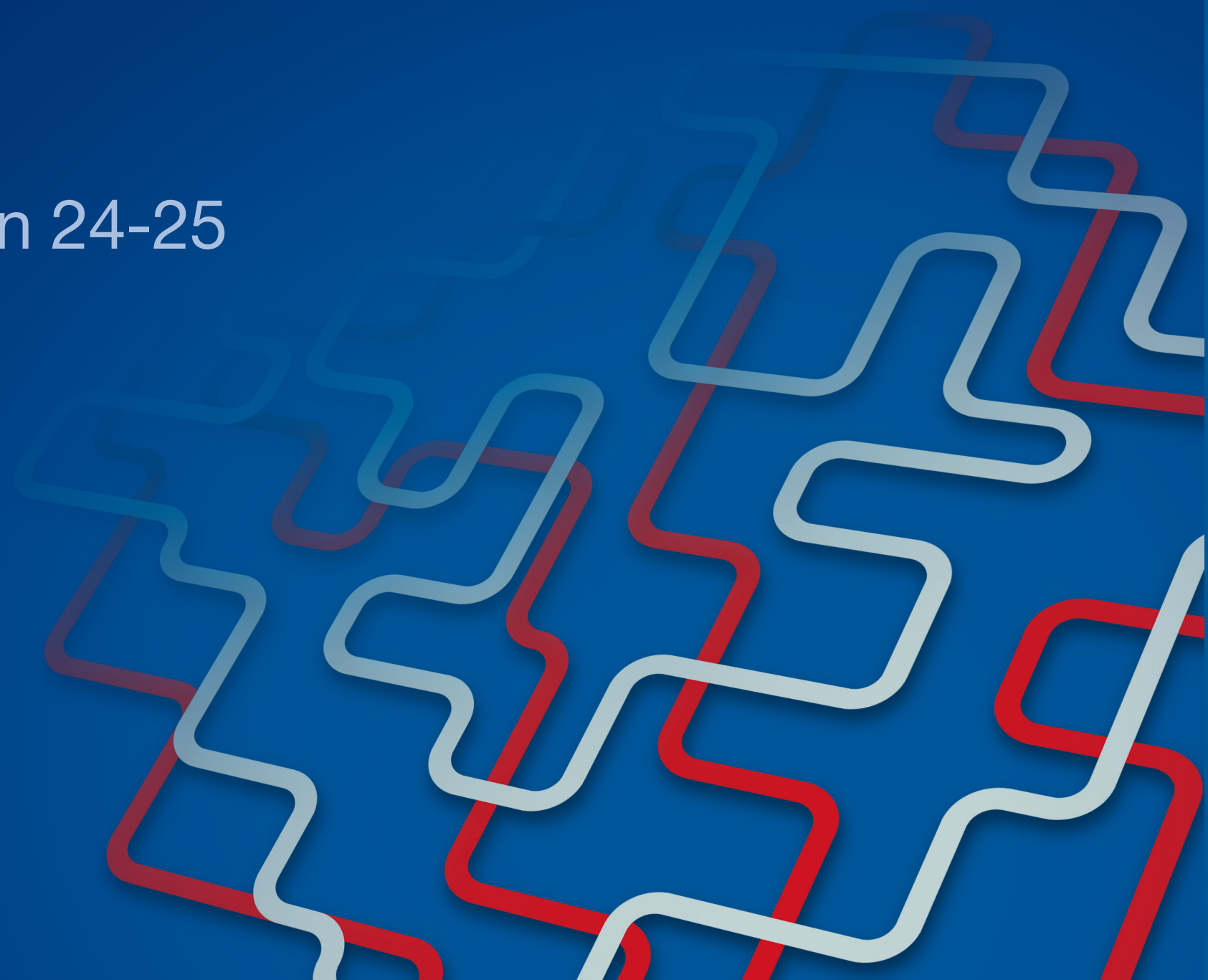




The Insolvency  
Service

# Annual Plan 24-25





# Contents

Joint introduction from the Chair and Chief Executive	3
Annual Plan Highlights	4
Our plan for the fourth year of our Agency strategy	5
1 Strengthen and improve the insolvency framework	6
2 Strengthen our reputation and impact in investigation and enforcement	8
3 Sharpen our operating focus	10
4 Shape a new approach to prevent insolvency and rehabilitate through education and guidance	12
5 Shape and modernise our technology and infrastructure	13
6 Shape the Agency as a great place to work	15
7 Sharpen our financial model to ensure sustainability	17
Our Strategic Assessment for 2024/25	19
Functional Standards in the Agency	20
Our finances (2022/23 to 2026/27)	21

# Joint introduction from the Chair and Chief Executive

**We are pleased to introduce the Insolvency Service's Annual Plan for 2024 to 2025, setting 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 help grow the economy and ensure that the UK is a safe place to invest; with a regulatory regime that is fit for purpose and achieves value for money to the taxpayer.

Our plan sits against the backdrop of the recent Economic Crime and Corporate Transparency Act 2023, which introduces new powers to police the corporate landscape, and, crucially for the Agency, a new way to fund our corporate investigation work. The new opportunities this presents will allow us to enhance the impact of our investigation work, on a sustainable financial footing. This first year we will be scaling up our operations and building our capability to enable us to successfully investigate and prosecute the new offences created by the legislation as well as strengthening our partnerships with stakeholders and across government to effectively tackle new threats to the corporate landscape.

We are entering the penultimate year of our [five-year strategy](#) and plans for this year build on the progress we have already made to improve the customer experience, modernise our technology and ensure the insolvency framework delivers for our stakeholders and the economy. We will continue to develop new ways for our customers to interact with us, and the foundational work we have done to modernise our technology will come to fruition when our new case management system, that will allow us to work more efficiently, is introduced. We will also be continuing to develop new policies to make our 40-year-old personal insolvency regime fit for the way people live and do business today.

Over the last twelve months, guided by our strategy, the Agency has successfully delivered excellent services to support people in financial distress with 89,351 Breathing Space applications giving people in problem debt time to seek debt advice. We have also efficiently processed 85,592 redundancy claims paying out £494m. These claims were processed faster than ever, paid in an average of 10 days. We have tackled financial wrongdoing, maintaining a focus on those cases where taxpayers' money has been abused by covid loan misconduct. We have disqualified 1,222 directors for misconduct, an increase on the last 2 years. We have also successfully prosecuted 87 individuals who committed insolvency-related crime, of which 22 were Covid-19 Support Scheme misconduct related and 14 of those convicted individuals were sentenced to a term of imprisonment. And we have returned over £59m in dividends to creditors, recycling productive assets benefitting the wider UK economy.

Looking ahead, we will continue to deliver for our customers, keeping them at the heart of what we do. The transformation of our technology is key to us achieving the modern, effective, and efficient customer service they expect. Central to this ambitious digital transformation is the automation of more of our operations, the delivery of our new case management system capability and our aim to equip our people with the digital tools and skills they need. Alongside this we will continue with our major programme to halve our estate footprint and transform where our people work, investing in new regional centres that provide modern, collaborative workplaces, ensuring the Agency is a great place to work.

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 that end we will continue our work to reform the regulation of Insolvency Practitioners, by developing the regulation of firms that provide insolvency services and working with the Recognised Professional Bodies and other stakeholders to introduce a new standard setting regime, and more consistent regulation.

Our plans will be successfully delivered by our dedicated, professional, and flexible workforce supported by continued investment in building capability across the Agency and the extension of our successful leadership capability programme to more of our people. It is because of this that we are confident that we will achieve the ambitious objectives set out in this plan and deliver quality outcomes for our customers, businesses, and stakeholders in the year ahead.



**Mark Austen**  
Chair



**Dean Beale**  
CEO



# Annual Plan Highlights

## For our customers we will:

- Consult on reforms to the personal insolvency regime to make it more effective, tackling problem debt in a way that reflects changes to how society operates whilst being fair to all
- Create a dedicated intelligence cell linked into the National Economic Crime Centre to deliver new enforcement capabilities to tackle money laundering
- Review the findings from our bankruptcy customer insight work to improve the customer experience
- Investigate opportunities for the introduction of greater automation within the Redundancy Payments Service
- Work with stakeholders to add to and improve the content in our Directors' Information Hub, ensuring the Hub continues to support directors in making timely and appropriate decisions for businesses in difficulty

## For the insolvency profession we will:

- Implement two new UNCITRAL<sup>1</sup> model laws into UK insolvency legislation which cover corporate group insolvencies and the recognition of insolvency-related judgements from other jurisdictions
- Implement the Government's decisions on reforms to Insolvency Practitioner Regulation, changing the way standards are set and building greater consistency in regulatory procedures and outcomes

## For our people we will:

- Develop our digital investigation capability to ensure our people are equipped to work with increasing volumes of data
- Replace ageing hardware to ensure they have the right tools to undertake their work effectively and efficiently
- Continue our Brilliant Leadership development programme and extend this to a wide range of managers
- Further develop our employee value proposition to make the Insolvency Service a great place to work

## For our organisation we will:

- Prepare our new case management system INSSight ready for launch enabling us to deliver better services more effectively and efficiently
- Continue our programme of office closures, relocating our people to new regional centres across the country to provide all employees with excellent accommodation which enables them to work productively and collaboratively in offices that are sustainable and deliver better value for money
- Implement a new Carbon and Energy Management plan to reduce operational energy costs, associated carbon emissions, to deliver government sustainability objectives



*Tackling problem debt in a way that reflects changes to how society operates whilst being fair to all.*

<sup>1</sup> United Nations Commission on International Trade Law





# Our plan for the fourth year of our Agency strategy

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

Our plan supports the department for Business and Trade (DBT) in delivering its key priorities to protect consumers and support businesses to grow, through 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 Act will enhance our ability to take robust enforcement action in cases of corporate wrongdoing and increase the integrity of the corporate regime.

*Making the UK a safe place to invest, whilst providing value for money for the taxpayer.*

# 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
Improved customer experience	<ul style="list-style-type: none"> <li>• Subject to Ministerial agreement consult on personal insolvency reforms</li> <li>• Take forward the implementation of two UNCITRAL model laws into UK insolvency legislation which cover corporate group insolvencies and recognition of insolvency judgements from other jurisdictions</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder confidence in the insolvency and enforcement regime qualitative survey next year (2025/26)</li> </ul>
Improved stakeholder confidence	<ul style="list-style-type: none"> <li>• Work with the recognised professional bodies that regulate the insolvency profession to implement the Government's decisions on reforming Insolvency Practitioner Regulation, developing the regulation of firms that provide insolvency services, standard setting, and ways to build greater consistency of regulatory functions and outcomes</li> <li>• Undertake a review of the Directors' Disqualification Regime with the aim of modernising and simplifying it in order to increase its deterrent effect and to encourage better corporate behaviour</li> </ul>	<ul style="list-style-type: none"> <li>• World Bank survey "Business Enabling Environment: Business Insolvency" due in 2025/26</li> </ul>





*Our customers' needs  
are at the forefront of  
our decision-making.*

## Performance metrics

Measure	22/23	23/24	24/25	25/26	26/27
<b>Stakeholder confidence in the insolvency and enforcement regime qualitative survey</b>	Qualitative stakeholder survey			Qualitative stakeholder survey	
<b>World Bank “Business Enabling Environment: Business Insolvency” survey findings</b>				New World Bank “Business Enabling Environment” Survey findings (will provide benchmark for future years)	

## Delivery Plan

Q1 24/25	Q2 24/25	Q3 24/25	Q4 24/25	25/26	26/27
Implementation of changes to the DRO eligibility requirements	Publish research report on Creditors Voluntary Liquidations	Implementation of the UNCITRAL model law on enterprise group insolvency	<p>Further consultation on the implementation of UNCITRAL model law on insolvency related judgments</p> <p>Consultation on reforms to the Personal Insolvency Framework</p> <p>Consult on options to introduce a compensation and redress scheme in relation to the work of insolvency practitioners</p>	<p>Review of the corporate landscape</p> <p>Review stakeholder engagement</p> <p>Commence UNCITRAL model laws evaluation exercise</p>	Legislation to implement regulatory changes following the IP Regulation Review <sup>2</sup>

<sup>2</sup> Dependent on available parliamentary time



# 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 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
Improved investigative and enforcement effectiveness	<ul style="list-style-type: none"> <li>• Work with partners to increase our ability to identify and disrupt money laundering through the creation of dedicated intelligence and enforcement teams</li> <li>• Continued focus on Covid Support Scheme related misconduct</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder confidence in the insolvency and enforcement regime qualitative survey</li> </ul>
Improved reputation	<ul style="list-style-type: none"> <li>• Deliver new provisions for determining licence applications made by individuals automatically disqualified as directors under the Sanctions and Anti-Money Laundering Act 2018</li> <li>• Create an investigation capability to support Companies House reform activity in Scotland</li> <li>• Work with stakeholders to help implement Companies House reforms arising from Economic Crime and Corporate Transparency Act</li> <li>• Undertake a review of our enforcement communications and implement any recommendations with a view to promoting greater transparency and awareness about our enforcement work</li> <li>• Develop our digital investigation capability to ensure the Agency can maximise opportunities presented by data, analytics and private sector partnerships</li> <li>• Implement a new intelligence database that will underpin our enforcement activities and enhance our ability to collaborate with law enforcement partners</li> <li>• Work with DBT to strengthen the enforcement response to directors who fail to properly take account of employees' rights on the run up to insolvency</li> </ul>	<ul style="list-style-type: none"> <li>• Covid-19 Support Scheme misconduct and fraud related outcomes as a percentage of all disqualification and criminal outcomes</li> <li>• Number of Covid-19 Support Scheme misconduct related compensation orders</li> <li>• Number of investigations and enforcement outcomes relating to the new offences arising out of Companies House reform and the Economic Crime and Corporate Transparency Act</li> <li>• Number of investigation and enforcement outcomes involving money laundering</li> </ul>

*We aim to raise awareness and enhance our reputation for taking effective action to address financial misconduct.*

## Performance metrics

Measure		22/23	23/24	24/25	25/26	26/27
<b>Stakeholder confidence in the insolvency and enforcement regime qualitative survey</b>		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>3</sup></b>	Target	–	Increase	Increase	*	*
	Actual	45%	62%			

\* We expect to see a reduction in Covid Scheme related outcomes during 25/26 as we work through the pool of Bounce Back loan cases. Resources will be directed towards priorities identified in the revised Strategic Assessments in 25/26 and 26/27. <sup>3</sup> This target seeks to ensure that addressing covid support related misconduct remains a key priority for overall enforcement activity, as such we want to see 46% or more of our total enforcement outcomes related to this type of misconduct.

## Delivery Plan

Q1 24/25	Q2 24/25	Q3 24/25	Q4 24/25	25/26	26/27
Deliver new Intelligence database UKAS (ISO) Pre-Assessment of our digital forensic functions Complete recruitment for new anti-money laundering Intelligence unit	Enforcement Communications Strategy delivered			Review our forensic and digital capability	



# 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, underpinned by a culture of continuous improvement. This year we will continue to work on our commitments to make it easier for our customers to interact with us, laying foundations for new digital services using customer insight.

Outcomes	Activity	Measures
Improved customer experience	<ul style="list-style-type: none"> <li>Finalise implementation plan arising out of recommendations following bankruptcy customer journey exercise</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction score</li> </ul>
Improved efficiency	<ul style="list-style-type: none"> <li>Undertake discovery work for further automation of processes within Redundancy Payments Service</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of reports to creditors issued within 15 days of interviewing (or a decision that no interview is required) in bankruptcy and liquidation cases</li> </ul>
Improved stakeholder confidence	<ul style="list-style-type: none"> <li>Prepare our new case management system INSSight ready for launch</li> <li>Deliver a two-day foundation level training event giving delegates a conceptual understanding of Continuous Improvement</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of Breathing Space statutory notices issued electronically</li> <li>Average number of days to process redundancy payment claims</li> <li>Volume of cases where a distribution is made</li> <li>Value of distributions to creditors and debtors</li> <li>Number of delegates who attend the training event</li> </ul>

*This year we will deliver our commitments to make it easier for our customers to interact with us.*



## Performance metrics

Measure		22/23	23/24	24/25	25/26	26/27
Customer satisfaction overall score	Target	84% or better	84% or better	84% or better	85% or better	85% or better
	Actual	82%	84%			
Percentage of Breathing Space statutory notices issued electronically	Target	85% or better	85% or better	86% or better	87% or better	87% or better
	Actual	86%	87%			
Percentage of reports to creditors issued within 15 days of interviewing (or a decision that no interview is required) in bankruptcy and liquidation cases	Target	93% or better	94% or better	95% or better	95% or better	95% or better
	Actual	96%	94.3%			
Average number of days to process redundancy payment claims	Target	14 days or less	14 days or less	12 days or less	11 days or less	10 days or less
	Actual	14	9.91 days			
Value of distributions to creditors and debtors (excluding National Interest Cases)	Target	–	£41m	£54m	£55m	£31m
	Actual	£45.7m	£59m			
Number of delegates who have attended Continuous Improvement Training (Cumulative total)	Target	–	70	170	240	310
	Actual		103			

## Delivery Plan

Q1 24/25	Q2 24/25	Q3 24/25	Q4 24/25	25/26	26/27
	Review the findings from the bankruptcy customer journey review		Case management system INSSight ready for launch Launch complaints and correspondence case management system	Review the findings of the customer journey review Launch new digital services for our customers	

# 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 in 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. We want to do more to make directors of companies aware of their options and responsibilities and launched the Director Information Hub in July 2023.

Outcomes	Activity	Measures
<b>Company Directors' improved awareness of the rules</b>	<ul style="list-style-type: none"> <li>Further developmental improvements to the Director Information Hub including improved access</li> <li>Work with stakeholders to develop new Director Information Hub content</li> </ul>	Delivery of new content

### Delivery Plan

Q1 24/25	Q2 24/25	Q3 24/25	Q4 24/25	25/26	26/27
<b>Planned content launch</b> <ol style="list-style-type: none"> <li>Co-operation with office holder</li> <li>Members' Voluntary Liquidations</li> <li>Re-use of insolvent company name</li> </ol>	<b>Planned content launch</b> <ol style="list-style-type: none"> <li>Self-assessment for company directors</li> <li>Moratorium</li> <li>Statutory demands</li> </ol>	<b>Planned content launch</b> <ol style="list-style-type: none"> <li>Conflict of interest</li> <li>Dissolved companies</li> <li>Redundancy</li> </ol>	<b>New content launched</b>	<b>New content launched</b>	<b>New content launched</b>

*We want to do more to make directors of companies aware of their options and responsibilities.*



# 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 for providing and accessing 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 and will be a positive impact for 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 wider business and society.

Outcomes	Activity	Measures
Improved technical resources	<ul style="list-style-type: none"> <li>Prepare our new case management system INSSight ready for launch</li> </ul>	<ul style="list-style-type: none"> <li>User experience – people survey response to how our user community feels about the tools to do the job</li> </ul>
Staff have the right tools to do the job	<ul style="list-style-type: none"> <li>Rollout new laptops for all staff</li> </ul>	<ul style="list-style-type: none"> <li>Net effort score – customer feedback on how easy it is to use our services</li> </ul>
Improved customer experience	<ul style="list-style-type: none"> <li>Complete the transition to our enterprise corporate reporting solution</li> </ul>	<ul style="list-style-type: none"> <li>Number of offices in our estate</li> </ul>
Improved value for money	<ul style="list-style-type: none"> <li>Relocate colleagues from Bristol, Plymouth, and Southampton to regional centres</li> </ul>	<ul style="list-style-type: none"> <li>Carbon emissions from operational energy consumption</li> </ul>
Improved security	<ul style="list-style-type: none"> <li>Implement a new Carbon and Energy Management plan</li> <li>Review our office operating model and proceed with onboarding to the Government Property Agency</li> </ul>	<ul style="list-style-type: none"> <li>All in-scope procurements to include 10% Evaluation for Social Value and Environmental Sustainability</li> </ul>

*Our people will be using modern, reliable systems that provide them with the right tools.*

<sup>4</sup> Subject to take up and case volumes



## Performance metrics

Measure		22/23	23/24	24/25	25/26	26/27
User experience – people survey response to how our user community feels about the tools to do the job	Target	57%	60%	60%	65%	70%
	Actual	58%	58%			
Net effort score – customer feedback on how easy it is to use our services	Target	83%	83%	83%	83%	83%
	Actual	81%	83%			
Number of offices in our estate	Target	19	16	14	11	11
	Actual	19	16			
All in-scope Procurements to include 10% Evaluation for Social Value and Environmental Sustainability	Target	100%	100%	100%	100%	100%
	Actual	100%	100%			
Carbon emissions from operational energy consumption	Target	–	Decrease	Decrease	Decrease	Decrease
	Actual	–	374.47 tonnes CO2e			

## Delivery Plan

Q1 24/25	Q2 24/25	Q3 24/25	Q4 24/25	25/26	26/27
	Complete roll out of new laptops	Cardiff regional centre opening Exeter regional centre opening Nottingham regional centre opening	Bristol, Plymouth and Southampton colleagues relocated to regional centres  Case management system INSSight ready for launch	Brighton and Chatham 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 – being able to move skilled colleagues onto priority work resulting in an improvement in the customer experience. 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.

Our plan is to provide all employees with office accommodation which enables them to work productively and collaboratively. We will ensure that our estate is high quality, fit for purpose, provides value for money, and is sustainable. This will underpin the delivery of our operational plans, as well as align with and contribute to government strategies.

Outcomes	Activity	Measures
Improved change leadership	<ul style="list-style-type: none"> <li>Improve our employee value proposition focusing on outreach, career pathways, pay and benefits, accessibility, and candidate experience</li> </ul>	<ul style="list-style-type: none"> <li>Leadership and Managing Change score in the people survey</li> </ul>
Improved demonstration of values	<ul style="list-style-type: none"> <li>Promote a flexibility culture to support better career pathways and workload management</li> </ul>	<ul style="list-style-type: none"> <li>My manager score in the people survey</li> <li>Employee engagement index</li> <li>Attrition rate</li> </ul>
Create an agency that fulfils career aspiration and where our people want to stay	<ul style="list-style-type: none"> <li>Continue our Brilliant Leadership programme with our senior leaders</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of internal promotions</li> <li>Number of internal moves to support the business need</li> <li>Percentage of our people assigned to Regional Centres</li> <li>Building User Satisfaction Score</li> </ul>

*We will ensure that our estate is high quality, fit for purpose, provides value for money, and is sustainable.*

## Performance metrics

Measure		22/23	23/24	24/25	25/26	26/27
Leadership and Managing Change score in the people survey	Target	–	54-57%	57-60%	Equal or better CS benchmark	Equal or better CS benchmark
	Actual		52%			
My manager people score in the people survey	Target	–	Increase	Increase	Increase	Increase
	Actual		83%			
Employee engagement index	Target	65%	62%	Equal or better CS benchmark	Equal or better CS benchmark	Equal or better CS benchmark
	Actual	59%	60%			
Staff attrition rate	Target	–	<10.5%	<10.5%	<10.3%	<10.0%
	Actual	10.8%	10.4%			
Percentage of internal promotions	Target	5-11%	5-11%	5-11%	5-11%	5-11%
	Actual	12%	7.4%			
Number of internal moves to support the business need	Target	5% (87)	5% (82)	>20	>20	>20
	Actual	42	49			
Percentage of our people assigned to Regional Centres	Target	–	–	90%	96%	100%
	Actual	82.5%	85.4%			
Building User Satisfaction Score	Target	–	–	Establish baseline	Increase	Increase
	Actual					

## Delivery Plan

Q1 24/25	Q2 24/25	Q3 24/25	Q4 24/25	25/26	26/27
First Regional centre 'playbook' (cultural model and ways of working) live	Career Pathways launched Launch of building user satisfaction survey	New pay and grading structure implemented			New HR Shared Services model implementation



# 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 a range of factors including the volume and type of cases we receive as well as the recoverability of fees charged. Bankruptcy volumes continue to be suppressed compared to pre-pandemic levels, which has created a significant funding challenge. We continue to review our cost base and fee levels in response, as well as exploring other opportunities to mitigate the funding shortfall and that work will continue into 2024/25.

Our new case management system will lead to further efficiencies when implemented.

We have also made substantial progress with our Transforming Workplaces project which will reduce our estates footprint by about half, driving down annual property costs.

Changes to the way our investigation and enforcement functions are funded will be implemented in 2024 following the Economic Crime and Corporate Transparency Act being passed into law. This change, which will provide greater certainty around future funding levels, represents a fundamental change to the way the Agency is funded, with this previously taxpayer funded activity now being funded from fees charged by Companies House.

Outcomes	Activity	Measures
Improved financial sustainability	<ul style="list-style-type: none"> <li>Develop and implement the Agency's efficiency framework, in line with Government's drive for efficiency in providing public services</li> <li>Implement agreed increases to fees charged by the Agency in respect of recent inflationary pressures</li> </ul>	<ul style="list-style-type: none"> <li>Efficiency baselining and establishing future targets</li> <li>Financial sustainability – Implement agreed changes to fees</li> </ul>
Improved efficiency	<ul style="list-style-type: none"> <li>Deliver savings against our IT cost baseline and undertake a discovery exercise with a view to implementing a new finance system, as part of a broader shared services strategy</li> <li>Implement new fee funding model for investigation and enforcement functions as provided by the Economic Crime and Corporate Transparency Act</li> </ul>	<ul style="list-style-type: none"> <li>Commercial savings per year</li> <li>Minimum spend with SMEs</li> <li>IT baseline cost reductions</li> </ul>

*We have already launched our Transforming Workplaces project.*



## Performance metrics

Measure		22/23	23/24	24/25	25/26	26/27
Financial Sustainability – Fees review	Target	–	£2.6m	£4.5m	£8.2m	£8.3m
	Actual	£0.1m	£2.6m			
Financial Sustainability – Process improvement	Target	–	–	£0.9m	£0.9m	£0.9m
	Actual	£0.1m	£0.3m			
Minimum Commercial Savings	Target	£1.8m	£2.2m	£2.4m	£2.4m	£2.4m
	Actual	£2.29m	£3.4m			
Spend with SMEs	Target	25%	30%	30%	33%	33%
	Actual	36%	33.4%			
Corporate centre – IT running costs as % of overall expenditure	Target	–	–	12%	11%	10%
	Actual	12%	12%			

## Delivery Plan

Q1 24/25	Q2 24/25	Q3 24/25	Q4 24/25	25/26	26/27
Implement new investigation fee structure following Economic Crime and Corporate Transparency Act	Identification of opportunities to deliver IT baseline cost reductions	Commence Finance System Replacement Project (Discovery)  Implement inflationary fee increases (subject to Ministerial agreement)		Finance System implementation commences  IT baseline cost reductions	Finance system implementation completes  IT baseline cost reductions



# Our Strategic Assessment for 2024/25

## **We have identified the following threats to the Insolvency and Corporate regime which we will prioritise through our enforcement activity in 2024/25.**

We will continue our focus on covid support scheme related misconduct, which continues to be a significant factor in liquidation cases. Although there are signs of this starting to plateau, we anticipate in the region of 60% of investigations will involve this type of misconduct this year. We will continue to disqualify and prosecute directors who abused this support and use our powers to seek compensation and recovery of the loans as well as seek restraint and confiscation under the Proceeds of Crime framework.

A key priority will be to support the government in tackling corporate wrongdoing and increasing the integrity of the regime using powers created by Economic Crime and Corporate Transparency Act 2023. We will undertake criminal investigations into new offences created by the Act. Utilising and sharing intelligence with Companies House and other partners we will also identify where our civil powers can be used to disqualify directors and wind-up companies operating against the public interest. To further support this we will continue to build criminal capability to take enforcement action in Scotland working closely with the Crown Office Procurator Fiscal and Police Scotland.

This joint working will allow us to tackle money laundering in support of the Economic Crime Plan. With dedicated funding and resources, we will tackle money laundering through shell companies and other corporate entities and identify and disrupt those who enable or facilitate money laundering.

We will use the new responsibilities we assumed following changes to the Sanctions and Money Laundering Act 2018, to monitor compliance with the disqualified director sanctions regime. Also generally, we will increase our focus on ensuring that those subject to disqualification abide by the restrictions, using our enforcement powers to drive compliance. We will continue to exercise our powers under the Company Directors Disqualification Act 1986 to use investigative material prepared by other regulators. This will include Immigration Enforcement, an important part of the government response to illegal migration. We want to be more transparent in our response to directors who fail to protect employee rights and to tackle harmful or contrived phoenixes. As well as enforcement activity, we will collaborate with other regulators to enhance our work in this area.



# 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. 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. This will ensure a consistent and coherent way of working across the Agency. Every function Head continues to ensure that identified improvements are embedded in their function through the delivery of their business plan.

Functional Standard	Activity	Timing
GovS 001 Government Functions	Completion of a peer-review assessment of our performance against the Standard and development of a functional improvement plan	By the end of 2024/25
GovS 002 Project Delivery	Undertake work to achieve the 'good' standard in all areas	By the end of 2024/25
GovS 003 Human Resources	Continue to develop our workforce planning capability through the Organisation Development board and directorate workforce planning to improve the current rating from partially compliant to fully compliant	By the end of 2024/25
GovS 004 Property	Establish a framework and process for continuous improvement including periodic reviews and metrics associated with strategic alignment, operational performance, and user satisfaction	By the end of Dec 2024
	Completion of a peer-review assessment of our performance against the Standard and development of a functional improvement plan	By the end of 2024/25
GovS 005 Digital, Data and Technology	Conduct an assessment and identify improvement actions using the Digital and Data - Continuous improvement assessment framework	By the end of 2024/25
GovS 006 and 014 Finance and Debt	Development of compliance plans for both Standards and completion of a peer-review assessment	By the end of 2024
GovS 007 Security	Continue to ensure a safe and secure working environment for staff and visitors by conducting a Departmental Security Health Check	By the end of Nov 2024
GovS 008 Commercial	The Commercial Team have a rating of Better and have identified key areas for development with the Cabinet Office. A re-assessment will be undertaken to check on progress and the implementation of Transforming Public Procurement Regulations	Early 2025
GovS 009 Internal Audit	Following a self-assessment in March 2023 where all areas were considered met, a further self-assessment will be undertaken to confirm we remain compliant	Q2 2024/25
GovS 010 Analysis	Implement improvement actions identified in the Analysis Functional Standard Plan	By the end of 2024/25
GovS 011 Communication	Following a 2023 GIAA review of internal communications, all recommendations have been implemented. In 2024-2025, our focus will be on improving our external communications, building and maintaining awareness of our enforcement work and its outcomes. Our plans reflect the strategic priorities in the Government Communication Plan and include clear metrics to support the delivery of cross-government and Agency objectives, approved by the Insolvency Service Board	By the end of 2024/25
GovS 013 Counter Fraud	Recruit a specialist Counter Fraud Lead to deliver our Counter Fraud Strategy and address recommendations made in the peer review undertaken by DBT	Q1 2024/25



# Our finances (2022/23 to 2026/27)

**The Insolvency Service is funded through fees, funding from the Department for Business and Trade (DBT) and other income from Companies House and HM Revenue & Customs (HMRC).**

Plans in 2025/26 and 2026/27 are dependent on case volumes and associated income. Funding will be dependent on the outcome of the next Spending Review, the timing, and requirements for which are yet to be confirmed by HM Treasury, as such, figures in italics are purely indicative.

Fees are charged for services, as set out in legislation, and they are set on a cost recovery basis in line with Managing Public Money (HM Treasury guidance).

Income from Companies House is to fund corporate investigation and enforcement activity (previously funded via DBT) following the passing into law of the Economic Crime and Corporate Transparency Act. This is a new source of income from 2024/25 and represents a fundamental change, which should provide a more predictable and stable funding model moving forwards.

Income from HMRC is to fund the administration of the Redundancy Payments Service, a function we deliver on behalf of DBT but for which funding is provided by HMRC.

Following the recent announcement that the £90 Debt Relief Order fee would be abolished; the function will be taxpayer funded from 2024/25.

Our five-year transformation programme runs from 2021 to 2026. We secured funding up to 2024/25 through the Spending Review in 2021, along with funding for specific investigation and enforcement initiatives targeted at tackling Covid-19 related fraud.

In 2023/24, we secured funding over a three-year period from the Economic Crime Levy to support our activities to help identify and tackle money laundering. Funding beyond 2025/26 will be dependent on the outcome of the next spending review.

Annually Managed Expenditure, in the main, represents the expected value of Redundancy Payments we will make, which are funded from the National Insurance Fund.

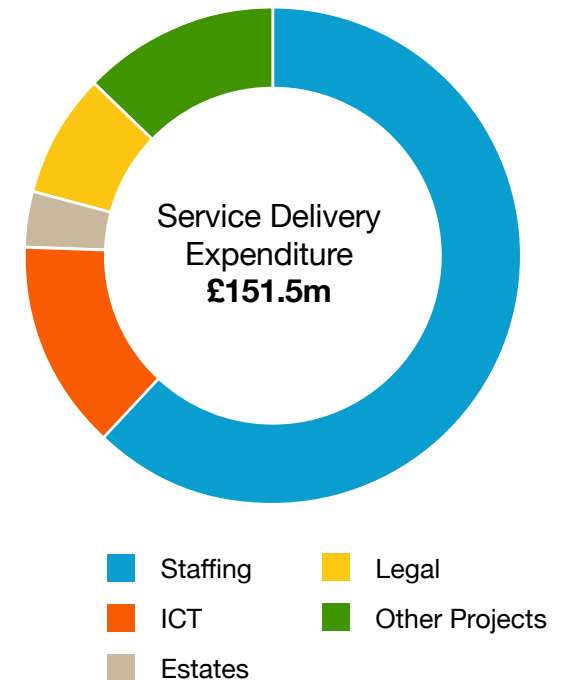
## Income & Funding

	2022/23	2023/24	2024/25	2025/26	2026/27
<b>Income</b>					
Service Delivery – Insolvency Service Fees	£48.6m	£52.7m	£51.0m	£56.5m	£54.3m
Service Delivery – Companies House	£0.0m	£0.0m	£55.8m	£60.5m	£60.5m
Service Delivery – HM Revenue & Customs	£8.8m	£9.2m	£12.4m	£12.4m	£12.4m
<b>Funding (from the Department for Business and Trade)</b>					
Service Delivery	£51.8m	£62.6m	£19.4m	£14.7m	£14.7m
Transformation	£16.3m	£21.7m	£12.5m	£12.5m	£12.5m
Depreciation	£7.9m	£6.0m	£3.6m	£3.6m	£3.6m
Economic Crime Levy	£0.0m	£0.5m	£4.4m	£4.2m	£4.2m
Capital (excluding IFRS 16)	£1.2m	£2.4m	£3.9m	£3.9m	£3.9m
Annually Managed Expenditure	£264.0m	£479.2m	£480.3m	£480.3m	£480.3m
<b>Total Income &amp; Funding</b>	<b>398.6m</b>	<b>634.3m</b>	<b>643.3m</b>	<b>648.5m</b>	<b>646.3m</b>



## 2024/25 Budget

	Resource	Capital
Service Delivery – Income & Funding	£138.6m	£3.9m
Service Delivery – Expenditure	£151.5m	
<b>Deficit</b>	<b>£12.9m</b>	
Transformation	£12.5m	
Depreciation	£3.6m	
Economic Crime Levy	£4.4m	
Annually Managed Expenditure	£480.3m	



Based on forecast case volumes, we expect the budget deficit to be £12.9m in 2024/25, down from £13.8m in 2023/24. Our Official Receiver Service continues to be the main driver of the deficit with bankruptcy volumes remaining suppressed compared to pre-pandemic levels.

In 2024/25, we will continue to invest in our new case management system, which will lead to further efficiencies when implemented, and modernising our IT systems and infrastructure, to deliver increases in efficiency and improved customer service. We will also continue progress on our Transforming Workplaces project, which will reduce our estates footprint by about half, driving down annual property costs.

Our Financial Sustainability project is continuing to take forward a range of workstreams to tackle the budget deficit, although we anticipate continuing to require central funding in the medium term.





The Insolvency  
Service