The Insolvency Service

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Annual Plan 2026 to 2027

About the Insolvency Service

Who we are

The Insolvency Service is an executive agency of the Department for Business and Trade. Our purpose is clear: to support people and businesses in financial difficulty, protect creditors and taxpayers, and uphold confidence in the UK's insolvency and corporate systems.

Our organisation has a rich heritage, with the services we deliver dating back to 1883, with the Bankruptcy Act's creation of Official Receivers, a role which remains key to the agency today.

We're an organisation of around 2,000 people and our diverse workforce reflects the nation we serve. Our professions include crypto specialists, policy experts, examiners, investigators and legal professionals, operating from 11 regional centres across Great Britain.

What we do

We support the government's number one mission: to kickstart economic growth by safeguarding the foundations a stable economy needs.

When businesses take risks to innovate and grow, some will fail. When individuals face unexpected circumstances – job loss, illness, relationship breakdown – debt can become unmanageable.

Insolvency processes help:

- free individuals from unmanageable debt, helping them to get back on their feet and start to contribute to the economy.
- release resources from failed businesses that can be returned to the economy.
- deal with unscrupulous operators who exploit gaps in the system, undermining trust in legitimate business practices.

Practically this means we:

- administer bankruptcies, debt relief orders and company insolvencies – the legal processes available to people and businesses that cannot repay what they owe.
- investigate financial misconduct by company directors and others, and take action to protect the public where wrongdoing is found.
- pay redundancy and other statutory entitlements to employees whose employers have become insolvent.

We also maintain trust in the insolvency sector by regulating those who work in it. Through our policy work we also drive improvements in the way the insolvency system works, in partnership with academia, insolvency practitioners, and debt advice organisations.

About this plan

This document sets out our priorities and targets for 2026 to 2027. It explains what we will do, and how we will measure our progress and performance.

We are at the end of our 2021 to 2026 strategy and working on new long-term plans to support the government's priorities. This plan builds on our previous strategy and sets the foundations for the new agency strategy, which will be published during 2026 to 2027.

This plan is organised around our three core purposes – maximising returns to creditors, tackling financial wrongdoing, and supporting those in financial distress. This is followed by details of organisation-wide improvements covering how we operate, our use of technology and data, and our people.

We publish an annual report that sets out what we have achieved against the commitments in our annual plan. At the end of the plan you will find our performance measures, showing our targets for 2026 to 2027 alongside results from previous years, and our financial information.

Maximising returns to creditors

In 2026 to 2027 we will:

Policy and regulatory changes

Review how the existing standards framework works and is enforced, as we move towards taking full responsibility for setting standards for insolvency practitioners (licensed professionals who oversee personal and corporate insolvencies).

Review the insolvency rules to identify changes that would remove unnecessary regulation and support innovation.

Digital transformation

Agree a set of payment principles to improve the speed at which we return cash to the economy.

Milestones

Q1	Q2	Q3	Q4
	Complete the review of working capital procedures for our bank accounts. Publish the insolvency rules consultation document.		Complete the review of professional standards for insolvency practitioners.

Tackling financial wrongdoing

In 2026 to 2027 we will:

Policy and regulatory changes

Following our consultation on civil enforcement reform, develop plans to modernise the regime so it can deal with a wider range of misconduct more quickly and better protect the public.

Operational changes

Transfer the casework and staff of the National Investigation Service (NATIS), which investigated serious misconduct related to COVID-19 financial support fraud, to the Insolvency Service, increasing our ability to investigate a wider range of cases.

Undertake discovery work to define the requirements for a new Northern Ireland based team so that we can address the gap in criminal enforcement coverage.

Work more closely with Companies House to improve how we respond to changes introduced by the Economic Crime and Corporate Transparency Act.

Act on the recommendations of the Covid Counter Fraud Commissioner to continue tackling abuse of COVID-19 loans, focusing on misconduct in companies that have since been dissolved.

Digital transformation

Design a trial that will test ways to analyse our data, to help us identify the cases that cause the greatest harm.

Work with suppliers to design a new case management system which will handle documents, cases and legal proceedings in one place.

Capability development

Maximise our ability to recover assets under the Proceeds of Crime Act, so we can return more money that has been obtained through financial wrongdoing.

Use new funding to set up a dedicated taskforce to identify and disqualify directors who repeatedly exploit the insolvency system in a practice known as ‘abusive phoenixism’.

Milestones

Q1	Q2	Q3	Q4
Publication of civil enforcement regime consultation. NATIS personnel onboarded.	NATIS casework triaged.	Procurement of next generation case management system solution components. Form an abusive phoenixism taskforce.	Publish the government’s response to civil enforcement regime consultation.

Supporting those in financial distress

In 2026 to 2027 we will:

Policy and regulatory changes

Consult on options for reforming the personal insolvency regime so the government can decide how to make the system simpler for people in debt.

Begin work on proposals to make it quicker and easier for small and medium-sized businesses (SMEs) to deal with financial difficulty.

Operational changes

As part of our Redundancy Payment Service development work, improve how claimants and Insolvency Practitioners send and receive information to speed up processing and reduce unnecessary contact.

Develop a consistent approach across the organisation to map how customers experience our services, so we can identify where to make them simpler and more efficient.

Milestones

Q1	Q2	Q3	Q4
	Deliver a prioritised plan, setting out the actions required to collect customer insight data to inform future service improvements. Publication of personal insolvency review consultation.	Deliver a prioritised plan, by operational service, to review our services and identify opportunities for improvement.	Complete comprehensive service and customer journey mapping for two service areas.

Organisation wide improvements

In 2026 to 2027 we will:

How we operate

Improve our cybersecurity protections and introduce a new monitoring dashboard, so our most critical services are protected from cyberattacks and remain available to users.

Through smarter procurement and better use of resources, save more than £2.4 million - the cost of running our commercial function.

Move our IT service management, helpdesk, and supporting tools to a new supplier to improve performance and reduce costs.

Expand our central data store to bring together and catalogue information from across the organisation; making it easier to access, reducing licencing costs, and enabling new ways of using the data.

Reduce our use of cheques as a way of making payments, moving towards modern digital payment methods.

Set up a new FinOps team to monitor and manage the costs of our cloud computing services in real time, making better use of our resources and improving financial oversight.

Work across the organisation to reduce unnecessary changes to contracts, reducing costs and improving how we manage our suppliers.

Deliver a new monitoring service using AI that tracks all our IT systems in real time, improving coverage and reducing costs.

Develop a unit costs framework – a way of measuring the costs of individual services – testing it on one straightforward process first.

Update and improve our GOV.UK content to make it clearer and easier to use.

Complete work to develop a consistent tone of voice and set of communications standards, so that everything we publish is clearer and more accessible for customers, building trust with our customers, and reducing unnecessary queries.

Our people

Launch a new intranet that is clearer and easier to navigate, meaning colleagues can find the information they need more quickly.

Introduce a new performance management policy and ensure managers have high quality, consistent conversations with staff to improve accountability and development.

Implement a new approach for workforce planning to make sure we have the right people, skills, and capability to meet our future needs.

Milestones

Q1	Q2	Q3	Q4
Launch a new security monitoring dashboard. Deploy Microsoft Security Co-pilot, an AI-powered security tool. Add new capabilities to detect and block phishing attacks. Launch new performance management policy with guidance and training. Complete the tone of voice discovery work.	Complete the move to a new IT service management supplier. Launch a central catalogue of our data assets. Complete consultation of internal and external stakeholders on the reduction of cheques.	Increase the number of business services for which data is held in in our central data store from one to three. Implement the new Financial Operations team. Complete the organisational design assessment addressing the drivers of contract modification rates. Launch new intranet.	Produce business case for the data, processes and systems needed to implement operational unit costs. Finalise baseline position on contract modification levels established through data analysis.

Organisational measures

Measure		2024-25	2025-26	2026-27	2027-28	2028-29
UKs world bank score for business insolvency	Target			Maintain	Maintain	73[1]
	Actual	N/A	70.05			
Specialised proceedings for micro and small businesses (UK World bank score)	Target			0	0	3[2]
	Actual	N/A	0			
Value of enforcement economic benefits to the UK economy	Target			N/A[3]	N/A	N/A
	Actual	£61.6m	£76.5m			
Percentage of director disqualification outcomes where abusive phoenixism behaviours are present	Target			10%	15%	20%
	Actual	N/A	7.5%			
Percentage of reports to creditors issued within 15 days of interviewing	Target	95%	95%	95%	95%	95%
	Actual	93%	81%			
Percentage of redundancy claims receiving first payment within 11 days	Target			80%	82%	Increase[4]
	Actual	N/A	79.6%			
Value of distributions to creditors and debtors - ORS	Target	£17m	£21.1m	£22m	Increase	Increase
	Actual	£23.7m	£16.7m			
Value of distributions to creditors and debtors - PPI	Target	£37m	£23m	£20.1m	£12.8m	£5.2m
	Actual	£33.6m	£26m			
Annual commercial savings	Target	£2.4m	£2.4m	£2.4m	£2.4m	£2.4m
	Actual	£4.9m	£6.5m			
Minimum spend with SMEs	Target	30%	33%	33%	33%[5]	33%
	Actual	38%	39%			

[1] Long term change will require legislation
[2] To effect meaningful change, it will be necessary to legislate
[3] Economic benefits are calculated using the size of case deficiencies, which cannot be reliably forecast
[4] Targets are subject to review following delivery of the RPS service delivery project in 2028
[5] Targets are set by the Government Commercial Organisation; future targets subject to change

Financial Information

The Insolvency Service is funded through fees charged, funding from the Department for Business and Trade and other income from Companies House and HM Revenue and Customs.

Income and Funding

Funding (Consumed/Required)	Consumed		Required		
	Actual	Actual	Forecast	Forecast	Forecast
	2024-25	2025-26*	2026-27	2027-28	2028-29
Resource Departmental Expenditure Limit	£49.72m	£41.56m	£52.30m	£47.92m	£47.33m
Capital Departmental Expenditure Limit	£4.69m	(£0.60m)	£0.66m	£0.30m	£0.30m
Annually Managed Expenditure	£449.76m	£443.35m	£484.52m	£484.52m	£484.52m
Total Funding	£504.17m	£484.31m	£537.47m	£532.74m	£532.15m
Total Income	£109.00m	£129.98m	£166.29m	£170.54m	£166.19m
Total Income and Funding	£613.17m	£614.30m	£703.76m	£703.28m	£698.34m

*2025-26 figures are subject to audit