

AiB 2017-18 Business Plan



AiB MISSION STATEMENT

***“To provide access to fair debt relief and debt management processes for the people of Scotland,
taking account of the rights and interests of all those involved”***

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Foreword

by Richard Dennis, **The Accountant in Bankruptcy
and Agency Chief Executive**

Scottish personal insolvency numbers are now showing an increase following 10 years of significant decline. This no doubt reflects the growth in consumer credit in recent years, such as credit card borrowing, shown for example in the Bank of England's February Inflation Report.

It is still too early to determine whether there will be a marked impact from the prospect of Brexit, but the climate of economic uncertainty is likely to underpin a return to more 'normal' case numbers.

Accountant in Bankruptcy is in a good place to deal with increasing case volumes following a successful year in 2015-16 bedding in new legislation and our new BASYS IT system, which is scoring consistently higher than its predecessors in external customer satisfaction surveys.

The plan on the following pages sets out an agenda of continuous improvement, driven both by the need to adjust to forecasts of a drop in income as the number of cases concluding continues to fall, and by our determination to ensure the statutory debt management and debt relief products we provide meet the needs of an ever-changing economy.

On the policy side this year, we will complete the major project to modernise the Scottish corporate insolvency rules and will take forward any changes to the Scottish Ministers' policy as a result of our recent consultations on the Debt Arrangement Scheme, protected trust deeds and diligence.



Dr Richard Dennis
**The Accountant in Bankruptcy
and Agency Chief Executive**

We have also been active on the international stage, hosting the International Association of Insolvency Regulators Six Nations forum in Edinburgh in May and will play a full part in the association's annual conference in London in September.

We could deliver none of this activity without the dedication and commitment of our skilled team here in Kilwinning who continue to work hard to provide a professional and supportive service to all of our stakeholders.



About **AiB**

(Click on the links below to find out more)

History of AiB

Mission, values and key functions

Managing the business

Teams

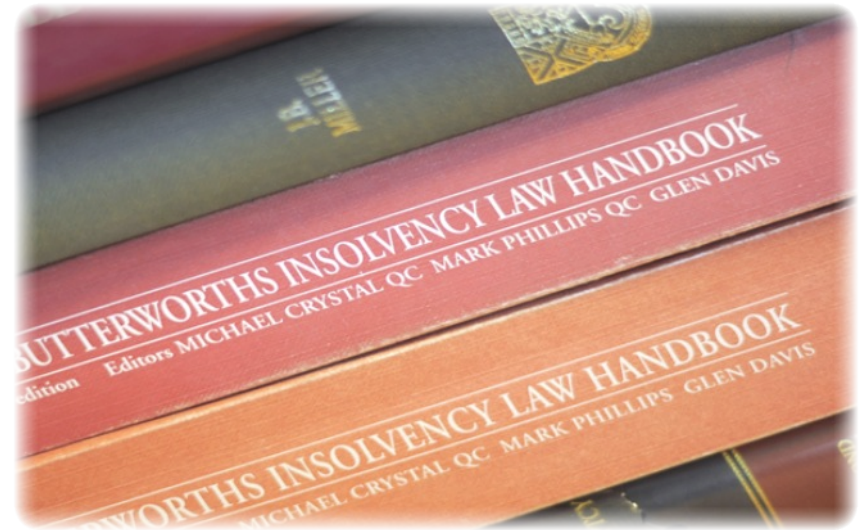
AiB 2020 Business Strategy

AiB 2020 Business Strategy

We recognise the challenges of the current political and economic climate and the uncertainty which accompany these. At AiB, we want to maintain consistency throughout this period and have developed our 2020 business strategy. This gives an overarching set of purposes against which we can measure all of our business activities, and focus on delivering the best service possible.

Our strategy has looked at the changing political landscape and the increased services expected under devolved powers. As an Executive Agency of the Scottish Government, our business strategy matches key priorities and changes where we may have an impact on the national and international landscape. We impact upon the 16 National Outcomes set by the Scottish Government and have identified our work as directly contributing to three of these. Our business strategy focuses on three strategic purposes:

1. Delivery of our core products
2. Continuous improvement
3. Building and maintaining effective stakeholder relations



AiB 2017-18 Business Objectives

AiB's 2017-18 business plan ensures all business improvement objectives (pages 9-15) and additional activities both impact upon and are impacted by our strategic purposes. In turn these impact upon the National Outcomes, as shown on page 16.

The final part of this plan details our budget and resource, and how we will monitor, measure and evaluate our progress against objectives.

Delivering our **core** functions:

AiB's core business remains the efficient and effective delivery of our statutory functions, in particular the delivering of key debt management and debt relief products. At the start of the year, we had some 53,000 cases in active management, divided between the main products as follows: 13,000 live sequestrations in dependence; 27,000 protected trust deeds (PTDs); and 13,000 debt payments programmes under the Debt Arrangement Scheme (DAS).

We measure and manage our success in delivering these functions efficiently and effectively through our key performance indicators as shown on page 19.

Much of the managing of this core business remains the same from one year to the next, so is not set out in detail here. However, as part of our agenda of continuous improvement, in 2017-18 we will:

- **continue development of case management capability:**
 - ensure staff skills continue to be developed to improve expertise
- **continue work to ensure our services are of high quality, are subject to continuous review and improvement whilst business process efficiency is optimised through the:**
 - implementation of actions identified in our business process reviews or continuous improvements ideas
 - ongoing review of roles, responsibilities and staffing requirements in operational teams
 - introduction of post consultation improvements to DAS and PTDs
- **continue AiB's digital strategy:**
 - reduce the proportion of paper transactions received
- **establish an insolvency practitioner liaison committee to discuss and refine operational bankruptcy process:**
 - improve understanding of AiB process and listen to stakeholder views to consider how process can be improved

Review of the effectiveness of AiB's risk and control framework is informed by the work of our internal auditors who submit regular reports to the Agency's Audit Committee. These reports provide independent and objective opinion on the adequacy and effectiveness of the Agency's systems of risk management and internal control together with recommendations for improvement.

Business activities that will be audited through 2017-18 are:

- AiB's business continuity model
- AiB creditor petition process

AiB conducts further audit at a business level. An annual compliance plan will be prepared each year by the head of operational policy & compliance. The areas we have identified for compliance checks, to be completed during the 2017-18 financial year are:

Initial checks on:

- protected trust deeds (protection process)
- the debtor application process
- the debtor discharge process

Follow-up checks on:

- debtor contribution orders
- in-house case management
- judicial functions

A final report, with findings, recommendations and risks, will be completed for each check and presented to the Executive Director of Case Operations and the Accountant in Bankruptcy. The Executive Director of Case Operations will be asked to respond to the final report recommendations, with proposals and timeframe for taking action on the agreed recommendations.

In addition, the following pages set out the key "one off" improvement activities we will undertake in the coming year:

AiB 2017-18 BUSINESS IMPROVEMENT OBJECTIVES

Objective 1. Commence development of new DAS case management system	
Why we will do it	<ul style="list-style-type: none"> ● Replacement of the DASH system is a key deliverable in our IT strategy, to ensure our technology is fit for purpose for the Agency and our stakeholders ● To improve on system functionality, accessibility and resilience to better support the needs of all users
How and when we will do it	<ul style="list-style-type: none"> ● This initiative will be delivered as a formal project by the Efficiencies and Technology team ● There will be a series of work packages including, but not limited to, procurement of a software supplier the capture of detailed process and system requirements, development of the IT solution, stakeholder engagement, training and communications ● The project will run from March 2017 until late 2019
How we will know it has been achieved	<ul style="list-style-type: none"> ● Project status reports will be produced monthly and progress cascaded to a dedicated project board and all interested parties in line with the communication strategy ● A fully functional IT system will be in place by late 2019 ● The project will also be exposed to the gateway review process which scrutinises the plan to ensure the new system is deployed on time, within cost and is on track to deliver the benefits outlined in the business case

NATIONAL OUTCOME

Our public services are high quality, continually improving, efficient and responsive to local people's needs

AiB 2017-18 BUSINESS IMPROVEMENT OBJECTIVES

Objective 2. Undertake policy and legislative reviews including:

- bankruptcy reforms introduced in April 2015
- determining post consultation improvements on diligence measures in Scotland
- implementing the post consultation improvements to the Debt Arrangement Scheme and protected trust deeds
- completing the modernisation of Scottish corporate insolvency rules

<p>Why we will do it</p>	<ul style="list-style-type: none"> • To deliver continuous improvement and enhance the debt relief and debt management solutions available to people and businesses in Scotland • To ensure that legislation is accessible, transparent and meets economic needs
<p>How and when we will do it</p>	<ul style="list-style-type: none"> • Consultation with stakeholders throughout the process of developing and introducing legislation • Engaging with working groups where appropriate • All actions to be completed by end of March 2018
<p>How we will know it has been achieved</p>	<ul style="list-style-type: none"> • Successful implementation of legislation following Parliamentary process • Feedback received from stakeholders that individuals are accessing solutions appropriate to their needs • Additional review of progress and impacts through the Debt and Insolvency Services Stakeholder Forum and the AiB Policy and Cases Committee

NATIONAL OUTCOME

We have tackled the significant inequalities in Scottish society

AiB 2017-18 BUSINESS IMPROVEMENT OBJECTIVES

Objective 3. Enhance AiB's knowledge management functions

<p>Why we will do it</p>	<ul style="list-style-type: none"> • We will further develop our internal case study database to enable a more accessible information resource providing added assurance, consistency and timeliness in case related decisions • We will continue to build on our internal expertise to help ensure sharing and recording of this information • Management of information is required to ensure that best practice guidance is followed by the organisation and external stakeholders, providing a consistent approach regardless of process
<p>How and when we will do it</p>	<ul style="list-style-type: none"> • The existing knowledge management function will be enhanced as an ongoing activity • A cross functional group of subject matter experts will be established. Information will be coordinated and disseminated to all AiB staff to ensure awareness • Clear process will be introduced by all branches to enhance the flow of and access to information.
<p>How we will know it has been achieved</p>	<ul style="list-style-type: none"> • An increase in use of the knowledge management microsite, monitored and reported to the senior management team on a monthly basis • Compliance with expectations will be identifiable through inclusion in standard operating procedures • Internal case and compliance checks will provide assurance these processes are operating efficiently and effectively, in accordance with The Accountant in Bankruptcy's authority, statutory duties, guidance and customer charter

AiB STRATEGIC PURPOSE 1: DELIVER CORE PRODUCTS

We will ensure Scottish insolvency and debt management legislation and services effectively address the challenges society face today and will provide a service for debt management and debt relief which remains fit for the current climate.

AiB 2017-18 BUSINESS IMPROVEMENT OBJECTIVES

Objective 4. Develop AiB Finance Strategy

Why we will do it	<ul style="list-style-type: none">• To provide a framework under which we can perform income & expenditure forecasts for the medium to long term including a review of the Agency's statutory fee levels
How and when we will do it	<ul style="list-style-type: none">• Build capability to develop evidence based plans and work closely with other branches to ensure that strategies are aligned• Utilise the expertise of the advisory board and our external stakeholder base to help identify longer term sector trends and activity• Regular review based on changes affecting forecasts and assumptions
How we will know it has been achieved	<ul style="list-style-type: none">• Monitoring of expenditure and income against budget/forecast and subsequent governance reporting (internal and external)• Approval of strategy by AiB Audit Committee

SCOTTISH GOVERNMENT PURPOSE

Wealthier and fairer, healthier, safer and stronger, smarter, and greener

AiB 2017-18 BUSINESS IMPROVEMENT OBJECTIVES

Objective 5. Develop full stakeholder engagement programme

<p>Why we will do it</p>	<ul style="list-style-type: none"> ● To develop/enhance relationships with our stakeholders in order to provide the highest quality of service ● Engage with stakeholders to ensure AiB continues to deliver its functions as efficiently and effectively as possible
<p>How and when we will do it</p>	<ul style="list-style-type: none"> ● All of our stakeholder engagement activity adheres to the policies and guidelines outlined in AiB's 2016-2019 communications strategy ● This activity is tailored to the information needs of each key stakeholder audience ● All engagement supports the corporate communications objectives of the Agency and reflects priority objectives ● The stakeholder engagement programme will also support Agency project and task specific objectives
<p>How we will know it has been achieved</p>	<ul style="list-style-type: none"> ● AiB undertakes customer satisfaction surveys every two years, which are targeted at a number of the Agency's key stakeholder audiences. ● AiB has also adopted the UK Government Communication Service model for evaluation, which provides a consistent mechanism for clearly illustrating the value of the Agency's communications. ● Feedback received through the Debt and Insolvency Services Stakeholder Forum. ● Evaluation of feedback received from AiB's annual stakeholder events

AiB STRATEGIC PURPOSE 3: STAKEHOLDER ENGAGEMENT

We will work collaboratively across the Agency, Scottish Government, and our broad stakeholder base, both at home and internationally, in order to help best deliver our core products and to achieve continuous improvement.

AiB 2017-18 BUSINESS IMPROVEMENT OBJECTIVES

Objective 6. Review of AiB contract management	
Why we will do it	<ul style="list-style-type: none"> • To develop/enhance relationships with existing suppliers • Ensure contracts are being delivered as specified, evidencing value for money and efficiency savings • Capture management information to inform future procurement exercises
How and when we will do it	<ul style="list-style-type: none"> • Improve the management information collected and analysed across all contracts • Working with staff to identify new contract opportunities • Develop an action plan based on the PCIP audit which will be monitored throughout the year • Develop a contract review plan based on risk and value, and monitor throughout the year
How we will know it has been achieved	<ul style="list-style-type: none"> • Monthly review of management reports and continuous improvement actions • Monitoring on/off contract spend quarterly • Completion of PCIP action plan and contract review action plan

AiB STRATEGIC PURPOSE 2: CONTINUOUS IMPROVEMENT

We will continue a process of focussed change aimed at increasing the effectiveness and efficiency of AiB and develop functional policies and processes targeted at fulfilling our mission.

AiB 2017-18 BUSINESS IMPROVEMENT OBJECTIVES

Objective 7. Develop AiB People Strategy

<p>Why we will do it</p>	<ul style="list-style-type: none"> • The strategy will reflect the Scottish Government People Strategy 2020 and aims to enhance a culture for individuals to thrive and to be engaged and successful • We aim to increase workforce resilience and enhance staff development • We will build capability to match our resources to priorities
<p>How and when we will do it</p>	<ul style="list-style-type: none"> • Workforce planning will build on the flexibility and capability of our staff to deal with business priorities. • We will continue to engage with staff through the annual staff survey and develop an action plan to address areas for improvement • We will embrace and value diversity, different views and expertise • We will develop internal communications to enhance staff engagement, by introducing regular all staff events. • Staff will be encouraged to develop skills by gaining experience in, or awareness of, other business areas. We will continue a range of staff and community activities under our Healthy Working Lives programme and environmental working group
<p>How we will know it has been achieved</p>	<ul style="list-style-type: none"> • Monitoring of goals and targets set in the People Strategy, including the employee engagement action plan • Results from Investors in People assessment of AiB

NATIONAL OUTCOME

We realise our full economic potential with more and better employment opportunities for our people

AiB budget and resource

Income realisation from bankruptcy generally runs four years in arrears. As discharged case volumes begin to reduce in line with a historic reduction in awards, it is expected the income realised in the year will also reduce, resulting in a greater requirement for funding from the Scottish Government.

When setting the agency budget, efficiency savings of £600,000 were required as a result of falling income levels. These savings have been identified through reduction in staff, contract management, reducing funding to third sector bodies and delaying elements of the capital programme.

The budget allocation from the Scottish Government for 2017-18 has been set at £500,000 resource and £700,000 capital. However, the agency requires significantly more capital budget in 2017-18 in order to deliver essential IT systems and systems development. In order to address this £600,000 of resource budget has been transferred to capital.

	Resource budget				
	2016-17 draft budget (£000's)	2016-17 SBR budget (£000's)	2016-17 forecast (£000's)	2017-18 SG budget allocation (£000's)	2017-18 AiB budget (£000's)
Operational costs	12,300	12,300	11,517	11,500	10,900
Retained income	(12,800)	(12,600)	(12,239)	(12,500)	(12,500)
Non-cash	1,000	1,200	1,200	1,005	1,500
Resource budget requirement	500	900	478	500	(100)
Capital budget requirement	700	1,100	1,270	700	1,300
Overall budget requirement	1,200	2,000	1,748	1,200	1,200

Monitoring and reporting progress

Our planning and performance management helps ensure AiB achieves what it sets out to do by creating a continuous loop between planning, implementation, monitoring and reporting.

AiB's business plan and individual branch plans are one-year plans that set out in detail the actions that will be taken to achieve our objectives. These plans will be monitored with progress and performance reported throughout the year through AiB's committees and groups and on the AiB website.

The business support team reviews progress against the plans and monitors performance improvements. The Agency performance dashboard and quarterly reports illustrate how successful AiB has been in achieving its goals. The Agency publishes an annual review of performance and progress in the Annual Report, which is reported to the Scottish Parliament.

The three strategic purposes in AiB's 2020 business strategy and the following business objectives filter down into branch and team plans. Individual staff objectives for the year are determined by the Agency's strategy and objectives. The performance of staff against individual objectives is measured through the Scottish Government's performance appraisal scheme.

AiB and the Scottish Government

Scottish Government Purpose
Wealthier and fairer, healthier, safer and stronger, smarter, and greener



Scottish Government National Outcomes

16 outcomes



AiB 2020 Business Strategy

3 strategic purposes



AiB 2017-18 Business Plan

7 business objectives



AiB 2017-18 branch plans

3 branches



AiB 2017-18 team plans



AiB Staff personal objectives

Key performance indicators

AiB's key performance measures indicate performance based upon three main criteria: time, cost and quality.

Time

1. The working time spent by AiB staff in processing individual applications. Improvement in this measure will show that operational processes and information technology are becoming more efficient.
2. The actual time it takes from receipt of an application to reaching the decision on award. Improvement in this measure will reflect stakeholders being better equipped to deal with the application requirements through effective information technology and better shared knowledge of process.

Cost

This will show the cost to administer or process each of the three main products. Improvements against the baseline measure will show effective use of forecast models and application of efficiencies across the administration of products.

Quality

Results from our bi-annual customer service survey in 2016 allowed us to develop a course of action to improve the quality of service. A full report is available on our website.

TIME		
Bankruptcy	DAS	PTDs
Processing time (hours) for bankruptcy applications	Processing time (days) for debt payment programmes (DPP)	Processing time (days) from notification of protection of trust deed
Target 2.5 days	Target 6 days	Target 2 days
Actual time (days) from application to decision for bankruptcy applications	Actual time (days) from application to decision for DPPs	Actual time (days) from notification of protection of trust deed to going on ROI
Target 9 days	Target 35 days	Target 10 days
COST		
Bankruptcy	DAS	PTDs
Average cost of administering a bankruptcy when AiB is trustee	Average cost of administering a DAS DPP	Average cost of processing a protected trust deed
Target £341	Target £78	Target £47
QUALITY		
Report on quality improvements to our time and cost KPIs and survey our customers to identify areas for further improvement		

Risk

All bodies to which the Scottish Public Finance Manual is directly applicable must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers.

Accountant in Bankruptcy maintains a corporate risk register which identifies the critical external risks from across the Agency and identifies the mitigating actions required to reduce the threat of these risks occurring and their impact. The register is reviewed on a quarterly basis by the Senior Management team and presented quarterly to the AiB Audit Committee and AiB Advisory Board for further scrutiny.

The areas identified in the register are paramount in making business decisions. Each risk takes full consideration of any impact on the Agency business plan and the delivery of objectives. Each branch in AiB follows this precedent and have separate risk registers for their respective business areas.

Information risk

AiB has responsibility for processing and handling a high level of personal and sensitive information. The Agency follows Scottish Government policy on information security and has a Senior Information Risk Owner along with Information Asset Owners in place to manage risk to information.

Web

AiB will undertake all the activities described in this plan throughout 2017-18. Further information on the business and activities of AiB can be found on the Agency's website:

www.aib.gov.uk

The website features links to documents, reports and publications and has a regularly updated news section.

AiB activity can also be followed on Twitter:

[@AiB_updates](https://twitter.com/AiB_updates)

The AiB Communications team maintains all the Agency's web functions. If you have any queries regarding any of the content, please contact the team:

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