



ACCOUNTANT  
IN BANKRUPTCY  
SCOTLAND'S INSOLVENCY SERVICE

# AiB 2018-2020 Corporate and Business Plan

## **Year 2 update: 2019-2020**

# Contents

	Page
Foreword .....	3
An Executive Agency of the Scottish Government .....	5
Finance: AiB 2019-2020 income, budget and resource.....	8
2019-2020 detailed business objectives .....	9
Contact AiB .....	16

# Foreword

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

Welcome to the second year of AiB's 2018-2020 Corporate and Business Plan.

The 2018-2020 corporate and business plan published last year detailed five key areas of the AiB business and the associated business objectives. During 2018-2019 we made good progress on many of the tasks we set for the Agency across the two years. This second year of our two-year plan updates each of those objectives not yet finished and adds some additional objectives where we plan to make further improvement this year.

2019-20 promises to be another big year for the Agency – though writing this in February 2019, we are very much under the shadow of Brexit. Our contingency planning has been completed, but the impact on the Agency could be significant: not least in the impact on future case numbers from any sizeable economic shock. We expect to see new case numbers continue to rise in the coming year, reflecting the growth in consumer borrowing over recent years. We are fortunate that continuing budget support from the Scottish Government, which has allowed investment in both our people and our systems in both past years and the year to come, means we are in a good place to deal with the likely increases in workload over the coming year.

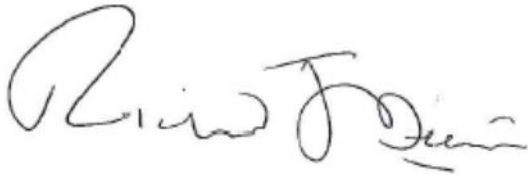
Within the Agency, the most significant change will likely be the launch of the new DAS case management system (eDEN) and, subject to the will of Parliament, the potential for us to become responsible for a new payment distribution function as part of DAS Regulatory change. Together with the continued steady increase in the number of bankruptcy cases being managed in house, and the growing need for the Agency to develop its understanding of and input into corporate insolvency, I would expect to see a slight increase in staff numbers in the coming 12 months.

We have a radical and wide-reaching forward policy agenda touching all aspects of the statutory debt solutions, but as experience with the Common Financial Tool has shown us, we must continue to work more on bringing the wider debt policy community along



with us. Since almost all proposals for change affect the balance between debtors, creditors and the sector, building consensus is hard, and inevitably most ideas for policy reform will be against the interests of certain stakeholders. This year more than most, Parliament and its committees may face significant work to deal the consequences of Brexit, and we accept we must continue to focus on building and explaining a clear case for the changes we want to see.

As ever, then, the coming year brings significant challenges. We are fortunate in that our people are both committed and highly able to rise to them, and I am grateful for their continued hard work.

A handwritten signature in black ink, appearing to read 'Richard Dennis', written in a cursive style.

Dr Richard Dennis

**The Accountant in Bankruptcy and Agency Chief Executive**

# An Executive Agency of the Scottish Government

The **AiB 2020 business strategy** focuses on three strategic purposes. These are:

1. **Delivering our core products**
2. **Continuous improvement**
3. **Building and maintaining effective stakeholder relations**

These set out our key priorities to ensure we can play a full part in helping to deliver the national outcomes the Scottish Government wants to see.

Our 2018-20 corporate and business plan objectives contribute to our strategic purposes and in turn impact upon the National Outcomes. These outcomes help deliver **Scotland's Strategic Objectives** of being **Wealthier and Fairer**, **Smarter**, **Healthier**, **Safer and Stronger**, and **Greener**.

## **AiB's contribution to Scotland's National Outcomes**

During 2018 the Scottish Government launched 11 all new **National Outcomes**, in turn supported by 81 national indicators. The work carried out at AiB now impacts on all 11 outcomes to some element through the indicators. These outcomes also address the 17 United Nations global **sustainable development goals**. Some ways our work impacts these outcomes is detailed as follows:

### **1. Communities – We respect, protect and fulfil human rights and live free from discrimination.**

The debt solutions and policies administered by AiB aim to give debtors a fresh start, protect minimum income standards and balance the rights of creditors to ensure access to borrowing remains open to all. This is reflected through AiB proposals for legislative change such as work on the calculation of debtor contribution. Our standards of service and vulnerability policy demonstrate the Agency's commitment to treating each of its customers fairly.

### **2. Culture – We are creative and our vibrant and diverse cultures are expressed and enjoyed widely.**

AiB staff are able to engage through Scottish Government networks and events as part of their work and personal development.

### **3. Environment – We value, enjoy, protect and enhance our environment.**

AiB monitors and reports on sustainability. Our travel plan promotes the use of more sustainable methods of travel. We continue to encourage recycling and target reducing the amount of waste sent to landfill. We are committed to reducing the amount of energy consumed within our office by promoting energy efficiency to all staff. AiB's Working Environment Group considers biodiversity issues and how to improve our working environment and that of the local community.

### **4. Health – We are healthy and active.**

AiB's Healthy Working Lives Committee promote the health and wellbeing of staff within the Agency and have achieved and retained the Healthy Working Lives Gold Award. The award programme encompasses a wide range of topics which the Agency must evidence each year including health promotion, occupational health and safety, health and the environment, mental health and well-being, community involvement, and employability.

### **5. Fair Work and Business – We have thriving and innovative businesses, with quality jobs and fair work for everyone.**

We realise our full economic potential with more and better employment opportunities for our people and are a Living Wage employer. Through the annual employee engagement survey and other mechanisms we actively promote giving our employees a voice. By promoting equal opportunities and recognising the value of diversity we aim to ensure that each and every member of staff feels valued and included, and empowered to contribute to dialogue on how our service evolves. We contribute to Scottish Government policy targets to reduce the gender pay gap and encourage gender balance. AiB are Partners for Change and contribute to the 50/50 by 2020 campaign.

### **6. Education – We are well educated, skilled and able to contribute to society.**

Our work with young people through Developing the Young Workforce and Skills4Bills helps towards the national indicator for young people's participation and the indicator for work place learning. The latter, defined as a measure of the "percentage of employees who received on the job training in the last 12 months", extends to all staff.

As Corporate Parents we guarantee an interview to any looked after child applying for work experience through the [Developing the Young Workforce](#) scheme, a seven-year programme (2014-2021) that aims to better prepare children and young people up to 18 years of age for the world of work. AiB also continues to employ Modern Apprentices to fill entry level positions at the Agency.

**7. Children & Young People – We grow up loved, safe and respected so that we realise our full potential.**

AiB continues to deliver Skills4Bills to primary 6 pupils at local schools. Skills4Bills is a highly engaging game that aims to provide young children with an insight into the consequences of poor financial choices and subsequent indebtedness. AiB is also a corporate parent, our current 3-year plan committing to how we deliver our services to care experienced young people.

**8. Human Rights – We live in communities that are inclusive, empowered, resilient and safe.**

AiB provides individuals and businesses opportunity to access debt solutions and engage a wide network of stakeholder groups and forums to help us develop our services collaboratively, focussing on the needs of service users.

**9. Poverty – We tackle poverty by sharing opportunities, wealth and power more equally.**

The products administered by AiB impact directly on the national indicator for unmanageable debt. AiB's mission is to ensure that access to fair and just processes of debt relief and debt management is available for the people of Scotland. We aim to ensure Scottish insolvency and debt management legislation and services effectively address the challenges society face today. AiB contribute to working groups looking at the wider provision of free money advice services in Scotland.

**10. International – We are open, connected and make a positive contribution internationally.**

We live and work in Scotland and take pride in our national identity. AiB continue to work closely with the UK Insolvency Service and HM Treasury. We continue to share our common issues and best practice with the International Association of Insolvency Regulators and the 6 Nations Working Group of British Isles insolvency regulators. AiB also provide input to UNCITRAL.

**11. Economy – We have a globally competitive, entrepreneurial, inclusive and sustainable economy.**

This National Outcome encourages entrepreneurial activities which, is a fundamental part of bankruptcy ethos. The drive towards sustainability is also of direct impact on the Agency. The economy outcome has indicators including economic growth, carbon footprint, greenhouse gas emissions, income inequalities (mainly the wage gap) and entrepreneurial activity. Provision of statutory debt products by AiB contribute to this by enabling the return of money to creditors through DAS, protected trust deeds and bankruptcy, and allowing people a fresh start through insolvency.

## Finance: AiB 2019-2020 income, budget and resource

**Table 1**

	2018-19 draft budget (£000s)	2018-19 Forecast (£000s)	2019-20 SG budget allocation (£000s)
Operational costs	11,300	10,601	11,191
Retained income	(10,200)	(11,278)	(10,191)
Non-Cash	1,500	1,476	1,500
<b>Resource budget requirement</b>	<b>2,600</b>	<b>799</b>	<b>2,500</b>
<b>Capital budget requirement</b>	<b>1,000</b>	<b>1,000</b>	<b>800</b>
<b>Overall budget requirement</b>	<b>3,600</b>	<b>1,799</b>	<b>3,300</b>

The cost of running the Agency in 2018-19 was budgeted at £11.3m and is funded mainly by fees and charges (operating income) raised from bankruptcy, trust deeds and DAS cases, with additional funding of £3.6m coming from the Scottish Government.

For 2019-20 the Scottish Government budget allocation has reduced by £0.1m in resource and £0.2m in capital requirements. This reflects savings made by the Agency for those elements under its control, such as staff numbers and achieving efficiencies through our procurement and contract management work. Development work planned for 2019-20 for the new Debt Arrangement Scheme system eDEN was brought forward in 2018-19 reducing overall capital requirements for 2019-20.

A forecast of the agency running costs for 2018-19 is included in Table 1 and shows that the resource forecast is significantly lower than budget. The income position includes higher than anticipated repayments to the public purse from discharged cases, partly due to high volumes of older cases now coming to a close. The number of trust deeds becoming protected has risen over the past two financial years resulting in higher than estimated income through trust deed advertising, registration and supervision.

Agency running costs for 2019-20 are forecast in table 2 as follows:

**Table 2**

	£000	Proportion
Staff Costs	4,864	38%
Direct Costs of Case Management	4,377	34%
Other Operating Costs	1,948	16%
Non cash costs	1,502	12%
<b>Total</b>	<b>12,691</b>	<b>100%</b>





**AiB 2018-2020**

**Year 2 – 2019-2020**

**DETAILED OBJECTIVES**

**AiB 2018-2020 BUSINESS OBJECTIVES****Objective 1 - Business focus: Case Operations**

- We will continue to develop our in-house case management and supervisory capability, supported by improved IT functionality
- We will prepare for DAS changes that will be crystallised following the building a better DAS consultation. We will continue working with those stakeholders impacted by any change to enable best function and consistency in processes
- Support the development of eDEN - the new DAS case management system - by identifying functionality requirements through focused involvement in a planned programme of development and testing and working with external stakeholders in ensuring the new system delivers the requirements
- We will continue moving towards becoming a paperless organisation and, from November 2019, plan to introduce a requirement for all trustee protected trust deed communications with AiB and relevant process to be conducted electronically
- We will ensure operational processes and records management are compliant with the new General Data Protection Regulation across the Agency
- We will implement all agreed recommendations from the 2018-19 review of AiB's bankruptcy restrictions operational proceedings
- We will implement the requirements of the Scottish Government's Cyber Resilience Public Sector Action Plan. Appropriate training will be delivered to ensure AiB staff understand both requirements and impact, enabling AiB to promote an understanding of the requirements with our stakeholders
- We will continue to analyse comparative income and expenditure outcome data from the Common Financial Statement and the Standard Financial Statement and continue consultation with stakeholders on the future of the Common Financial Tool

**AiB 2018-2020 BUSINESS OBJECTIVES****Objective 2 - Business focus:  
Policy development and delivery**

- We will apply the modernised Scottish corporate insolvency rules on 6 April 2019
- We will continue the review of the Bankruptcy and Debt Advice (Scotland) Act 2014 reforms following public consultation and publish plans for future legislative change
- We will take forward the enhancements to the Debt Arrangement Scheme (DAS) as considered by the DAS Regulatory Review Working Group, taking account of the responses to the “Building a Better Debt Arrangement Scheme” consultation that closed in January 2019
- In 2019 AiB will continue work to ensure any future changes to the DAS Regulations are recorded in all the appropriate DAS Guidance, publications and forms
- We will take forward reforms to protected trust deeds taking account of earlier public consultations
- We will continue to assess the impact of EU exit to ensure that insolvency legislation, including the provisions relating to cross-border recognition and cooperation, are consistent with the agreed future relationship with the EU
- We will continue delivering the extensive work plan created following the completion of the 2017-18 diligence review
- We will continue our participation in the cross-government work on the provision of debt advice following the devolution of funding and the establishment of the new consumer advice body in Scotland
- We will continue active engagement with insolvency stakeholders to help promote evidence-based policy development
- We will promote use of AiB’s Knowledge Bank in informing and making policy decisions

**AiB 2018-2020 BUSINESS OBJECTIVES****Objective 3 - Business focus: Information technology**

- The new DAS system project will be ready for full operation by summer 2019
- We will carry out an architectural review of BASYS and ROI case management systems (future proofing) and implement the results of the ASTRA technical reviews carried out in 2017
- We will ensure that IT system functionality fully supports the ongoing operation of the Common Financial Tool including flexibility to incorporate the alternative solutions available
- We will upgrade our servers to ensure platforms are resilient and as robust as possible and to embrace new technologies
- We will upgrade the IT in our office conference rooms to allow more effective use of technologies in communicating with our stakeholders and for delivering training
- We will continue our IT asset replacement programme
- We will continue to train staff and maintain/increase knowledge and awareness of cyber resilience matters. A rigorous programme of testing will continue. We will renew our Cyber Essentials Plus accreditation
- As part of our business continuity model, we will ensure we have captured all essential disaster recovery processes and related staff awareness requirements will be addressed
- We will ensure all our IT information retention and destruction policies are operational and GDPR compliant
- We will explore collaborative technologies to provide secure communications processes with stakeholders
- We will review our software platform and perform any necessary upgrades

**AiB 2018-2020 BUSINESS OBJECTIVES****Objective 4 - Business focus:  
Stakeholders (External And Internal)**

- We will ensure early involvement of our stakeholder groups in any policy reform or IT changes
- We will continue our annual programme of stakeholder events across Scotland and will develop a recommended course of actions based upon event feedback
- Our executive directors will continue their involvement in the International Association of Insolvency Practitioners, and build on emerging relations with the World Bank and UNCITRAL, forging relationships for development discussion and sharing of best practice
- We will commence a programme of work to improve commercial awareness across key business areas aimed at helping the Agency achieve best value from our contracted services
- Continue to take development action based upon staff feedback and engagement scores identified through the annual AiB staff survey (part of the wider Civil Service people survey)
- Additional lines of access to senior management and decision-makers will be examined and promoted so all suggestions and ideas for change, both internal and external, will have greater opportunity to be discussed and considered. On the lead-in and from the commencement of this plan, open channels to be enhanced for all staff wishing to suggest how we may improve efficiency of our process or service
- We will undertake small scale recruitment exercises, creating development opportunity internally, and opening the doors to fresh talent through Developing Young Workers and the Modern Apprenticeship programmes
- We will continue to work with our stakeholder community over the year to build our understanding and show how AiB's work impacts on Scotland's National Outcomes

**2018-2020 BUSINESS OBJECTIVES****Objective 5 - Business focus:  
Finance, monitoring, governance and audit**

- Recommendations from the March 2019 Gateway Review of the new DAS case management system project will be implemented prior to go live
- We will continue existing assessment programmes for staff engagement, including the Investors in People programme, through regular staff sessions and feedback forums
- Our procurement and contract management teams will conduct ongoing refinement of contract management controls, including spend, review meetings, reports and audit
- AiB will continue to ensure the General Data Protection Regulations (GDPR) are applied accordingly to AiB customer and stakeholder information and compliance is delivered in any related areas
- In 2019 we will prepare for the upcoming 2019 Procurement and Commercial Improvement Programme (PCIP) audit and implement the resulting recommendations via a PCIP action plan
- Our policy and compliance team will continue a programme of internal case operations audits to ensure our process and practice are fully delivering against legislative requirements
- We will implement an action plan based upon the results of the 2018 customer satisfaction survey
- We will provide regular opportunity for all staff to contribute to the shape and direction of the Agency's work by increasing engagement in our planning processes
- We will expand on case operations reviews and will roll-out business process reviews across the rest of the Agency - This is an ongoing task which will include some additional Corporate Services functions in 2019/20
- In 2019 we will review our 2020 business strategy with a view to developing a new longer term business strategy. This will be completed in alignment with new ICT, finance and people strategies

## Key performance indicators

AiB's key performance measures indicate performance based upon three main criteria: time, cost and quality. These measures are paramount in evidencing continuous improvement activity required by the AiB 2020 Business Strategy, and throughout the second year of this 2018-2020 Business Plan.

**KPI-1: Time** 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.

**KPI-2: Time** 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.

**KPI-3: Cost** This shows 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. The target for this measure is to make a 3% efficiency saving against the budget costs for the reporting year.

**KPI-4: Quality** Results from our bi-annual customer service survey in 2018 allowed us to develop a course of action to improve the quality of service. The full report is available on our website. The quality measure is based on our processes and consistency in dealing with the customer base - including debtors, creditors and both public and private sector money advisers.

KPI targets for 2019-20 are shown in the following table:

	2019-20 targets		
	Bankruptcy	Trust deeds	DAS
KPI-1	2.5 days	2 days	6 days
KPI-2	9 days	10 days	35 days
KPI-3	£408	£45	£115
KPI-4	improve on 88% customer satisfaction rating achieved in 2018		

# CONTACT **AiB**

## Web

AiB will undertake all the activities described in this plan throughout 2019-20. Further information on the business and activities of AiB can be found on the Agency's website:

[www.aib.gov.uk](http://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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