

Corporate Plan 2013-16

Business Plan 2015-16



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Foreword

by The Accountant in Bankruptcy and Agency Chief Executive



This plan sets out an exciting agenda of work for Accountant in Bankruptcy (AiB) over the financial year 2015-16 as well as continuing our longer-term vision and programme in the last year of the 2013-16 Corporate Plan.

The coming year will see major changes for AiB with the introduction of the Bankruptcy and Debt Advice (Scotland) Act on 1 April 2015. This will be the culmination of a number of years of work on the legislation, ICT systems and processes to ensure the operational delivery of the new legislation. These changes will begin to deliver **Scotland's Financial Health Service**, implementing legislation that is fit for the 21st century and that provides **access to fair and just processes of debt relief and management for the people of Scotland, which takes account of the rights and interests of those involved**. I am tremendously proud we will have achieved this significant milestone during the life of our three-year Corporate Plan.

2015 will be a year of significant change for me personally too. I will be retiring this year and Richard Dennis will take over from me. I know I will be leaving an organisation and senior management team that is well placed to continue to deliver effectively in the current challenging climate. The agency will sustain its drive to full cost recovery and continue to contribute to the international scene through active participation in the International Association of Insolvency Regulators. Whilst Scotland's innovative approaches will continue to be of interest to other countries it will be important for us to continue to learn from the experiences of the other insolvency systems around the world.

Our vision of a **Financial Health Service for Scotland**, as outlined in this document, will only be possible with the continued dedication and enthusiasm of all the committed staff of AiB and all our stakeholders. This document outlines AiB's planned actions but it will be equally important our stakeholders continue to work with us in partnership to develop the best possible services.



Rosemary Winter-Scott OBE

The Accountant in Bankruptcy and
Agency Chief Executive

The Agency – our vision, mission, values and key functions

Who we are

AiB is an Executive Agency of the Scottish Government under the terms of the Scotland Act 1998. The Agency operates independently and impartially while remaining directly accountable to Scottish Ministers. The Accountant in Bankruptcy (The Accountant) is an Independent Statutory Officer and an officer of the court appointed under section 1 of the Bankruptcy (Scotland) Act 1985, as amended.

Our vision

A Financial Health Service, providing access to debt advice, debt management and debt relief, building the financial capability of individuals, and preventing future debt problems.

The underlying legislation for Bankruptcy in Scotland is from 1985. The financial environment that we inhabit has changed dramatically over this time. We believe that we must build a new insolvency system that is aligned with AiB's mission.

Our mission

Ensure access to fair and just processes of debt relief and debt management for the people of Scotland, which takes account of the rights and interests of those involved.

Our values

People's perceptions of AiB will be determined by how we, as employees, communicate with our stakeholders. Our commitment to providing a high level of service to stakeholders is directly related to how well we work together and how we are perceived. Each of us working in AiB will, in all our dealings, uphold these values and ensure our activities are:

- > independent
- > responsive
- > accountable
- > transparent
- > fair
- > open

Key functions

Much of our mission is defined by our statutory functions, which can be split into the following broad categories:

Supporting Ministers to develop and refine policy by developing:

- > policy for personal insolvency and diligence and developing arrangements for corporate insolvency in Scotland
- > policy for the Debt Arrangement Scheme (DAS)
- > debt advice policy
- > Scotland's Financial Health Service, providing access to sources of information and advice on debt and borrowing

Supervising the insolvency process by:

- > supervising the operation of the bankruptcy process including the performance of trustees and commissioners in the exercise of their statutory duty
- > regulating and supervising the registration and administration of trust deeds, including the performance of trustees

The Agency – our vision, mission, values and key functions

- > investigating and awarding Bankruptcy Restrictions Orders (BROs) with duration over two years but less than five years (BROs greater than five years up to a maximum of 15 years must be awarded by the sheriff)
- > registering statutory company insolvency documents filed by receivers and liquidators in terms of the Insolvency Act 1986

Providing statutory information on our public registers by:

- > maintaining a public Register of Insolvencies (ROI), which records bankruptcies awarded by the Scottish Courts or by the Agency. The ROI also provides information on Protected Trust Deeds (PTDs), BROs and corporate insolvencies
- > maintaining the Debt Arrangement Scheme (DAS) register, which records details of individuals who are repaying their debt through a DAS Debt Payment Programme (DPP) or have intimated an intention to submit a DAS application

Delivering, with stakeholders, a range of options for individuals seeking debt relief and debt management by:

- > supporting debtors who are considering entering into a statutory debt management/relief product with the provision of a moratorium period
- > determining debtor applications for bankruptcy
- > acting as trustee in all bankruptcies awarded by the Agency where The Accountant does not appoint a named person to be the trustee including all bankruptcies awarded via the Minimal Assets Process (MAP) route into bankruptcy
- > acting as trustee in all bankruptcies awarded by the Sheriff Courts where a sheriff does not appoint a named person to be trustee
- > acting as interim trustee before the award of bankruptcy except in those cases where an alternative interim trustee is appointed when nominated by the petitioning creditor

- > acting as trustee as appointed by the sheriff on the resignation or death of the original trustee where no new trustee is elected
- > undertaking the functions of the commissioners in bankruptcies where none are elected by creditors
- > adjudicating DAS DPP applications and approving DAS money advisers when required
- > adjudicating DAS DPP applications from certain categories of businesses

Achieving best value services to customers by:

- > reducing the requirement for public funding
- > maximising the return to creditors
- > embedding efficient systems and processes

Scottish Government priorities

AiB has been part of the Finance, Constitution and Economy portfolio since November 2014. The Agency reports its performance to the Head of the Business Directorate of the Scottish Government.

In 2013, this three-year Corporate Plan was created in line with the Scottish Government's then-purpose – to focus government and public services on creating a more successful country with opportunities for all of Scotland to flourish through increasing sustainable economic growth.

Until very recently, the government's purpose has been delivered through seven Purpose Targets, supported by five Strategic Objectives with 16 National Outcomes as the clear and consistent set of priorities across government and its agencies. Together with 50 National Indicators and targets, activity and contributions have been directed towards the single overarching purpose. The National Performance Framework demonstrates the Scottish Government's route to achievement of its purpose.

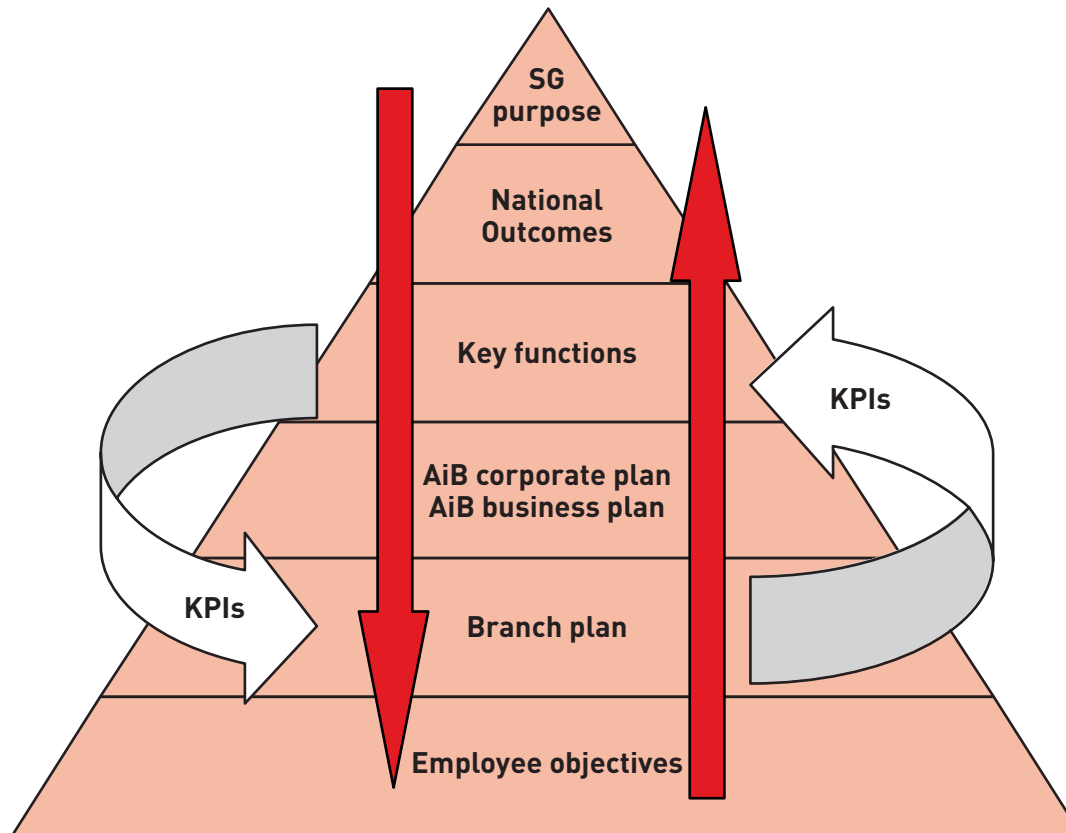
The work completed by AiB contributed to the following outcomes:

- > We live in a Scotland that is the most attractive place for doing business in Europe (Outcome 1)
- > We realise our full economic potential with more and better employment opportunities for our people (Outcome 2)
- > We have tackled the significant inequalities in Scottish society (Outcome 7)
- > We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others (Outcome 11)
- > We reduce the local and global environmental impact of our consumption and production (Outcome 14)
- > Our public services are high quality, continually improving, efficient and responsive to local people's needs (Outcome 16)

In March 2015, Scotland's new *Economic Strategy* was published and introduced two main purposes of the Scottish Government: competitiveness and tackling inequalities. These will be achieved through four new Priorities of Government themes which are: **investment, innovation, internationalisation** and **inclusive growth**, reflecting the current socio-economic climate. A review of the National Outcomes is currently taking place and the new priorities will be incorporated into the AiB Corporate Strategy and AiB's next three-year Corporate Plan for 2016-19. The Agency measures its performance against achievement of its agreed objectives and its contribution towards Scottish Government National Outcomes, using a number of Key Performance Indicators (KPIs).

AiB's performance framework

The Agency measures its performance against achievement of its agreed objectives and its contribution towards Scottish Government National Outcomes.



Corporate governance and risk

Corporate governance is the combination of processes and structures implemented by the organisation in order to inform, direct, manage and monitor the activities of the Agency towards the achievement of its objectives. The Agency's Framework Document sets out our governance arrangements and describes:

- > the responsibilities of the statutory role of The Accountant in Bankruptcy and Scottish Ministers
- > the relationship between The Accountant in Bankruptcy and the Scottish Ministers
- > the Agency's objectives and performance measures
- > the management and resources framework within which the Agency operates

The Chief Executive, who is also The Accountable Officer, has overall responsibility for implementing and monitoring risk management arrangements as part of a robust corporate governance framework. This involves the active monitoring and reporting of risks on a quarterly basis to monitor whether or not the risk profile is changing, to gain assurance that risk management is effective and to identify when further action is necessary. The Chief Executive and Accountable Officer is supported in their role by a Board of Non-Executive members (see structure diagram on page 26) and by the Audit Committee and the advisory work of Internal Audit.

Regular discussions take place with senior managers to provide assurance and ensure a comprehensive and coordinated approach to managing risk and the successful delivery of Agency functions and projects. During the third year of this plan, we will develop management information to inform the Board and Audit Committee of current performance, allowing us to identify risks earlier and determine whether activity to mitigate these risks is effective.

Context and vision

In Scotland, the terms 'sequestration' and 'bankruptcy' are often used interchangeably. Sequestration is the Scottish term for bankruptcy. Bankruptcy is a statutory process where individuals who are experiencing financial difficulties are able to obtain debt relief whilst their estate is realised by a trustee for the benefit of their creditors. It is part of the business infrastructure where creditors have an effective process to maximise the recovery of their debt and debtors are able to obtain a fresh start with the burden of their debt removed.

Bankruptcy law in Scotland dates back to the Scottish Parliament Bankruptcy Act 1621, although it was the Bankruptcy (Scotland) Act 1856 that laid down the process and is largely retained in today's legislation. The Bankruptcy (Scotland) Act 1985 has been amended in recent years to improve the provision of debt relief. The Agency reformed bankruptcy legislation by delivering the Bankruptcy and Debt Advice (Scotland) Act 2014 (BADA(S)) which brought significant reform to Scottish bankruptcy legislation. This will deliver a system of debt advice, debt management

and debt relief fit for the 21st century, under the umbrella of a 'Financial Health Service' – providing rehabilitation to individuals and organisations in relation to their financial pressures, while acknowledging their financial responsibilities. BADA(S) is the first time in a generation that the principles and concept of bankruptcy were considered. AIB will continue to ensure that Scotland leads the way in the development of a modern service which responds effectively to meet the rights and needs of debtors and creditors.

Our key priority for 2015-16 is to embed the changes brought about by BADA(S) and ensure smooth operational delivery.

This service harnesses the efforts of the Agency, insolvency practitioners, the money advice sector more generally and creditors. The key principles of the new services are to:

- > provide the people of Scotland with access to fair and just processes of debt advice, debt relief and debt management

- > ensure debtors who can pay should pay their debts, while acknowledging the wide range of circumstances and events that contribute towards financial difficulty and insolvency for both individuals and businesses
- > secure the best return for creditors by ensuring that the rights and needs of those in debt are balanced with the rights and needs of creditors and businesses

Context and vision

BADA(S) provides for debt solutions that are fit for the world we live in today and focus on the following categories:

Advice, education and application process

- > Money advice is compulsory prior to accessing any statutory debt solution
- > Financial education as an integral part of statutory debt relief process for certain individuals, linked to published criteria
- > A six-week moratorium across all statutory solutions, helping to ensure individuals have time to take appropriate advice and make an application for the relevant solution
- > Simplification of the 'apparent insolvency' criteria and an increase of minimum debt level to £3,000 in bankruptcy
- > A lower application fee for entry into bankruptcy for individuals who have debts of £17,000 or less, total assets of £2,000 or less and do not own any land or property

Financial assessment

- > A single Scottish-specific common financial tool to be used to help determine the appropriate debt solution for individuals
- > A standard minimum contribution period of 48 months in the Debt Arrangement Scheme, Protected Trust Deeds and bankruptcy (unless full debt can be paid back in a shorter period)

Debt solutions and processes

- > A new Minimal Asset Process route for individuals whose income is comprised solely of state benefits or individuals who have been assessed as being unable to make a contribution and who have limited assets
- > Provision for a payment break where an income shock has been experienced
- > Discharge of debtor linked to co-operation and discharge delayed indefinitely when debtor cannot be traced
- > AiB to have new administrative powers in relation to some procedures currently dealt with by Sheriff Courts but with the retention of an appeal route to a sheriff

Context and vision

Debt Arrangement Scheme (DAS)

- > The latest development in relation to the Debt Arrangement Scheme (DAS) was the launch of Business DAS on 12 December 2014. This is an extension to the existing Debt Arrangement Scheme and allows small businesses (e.g. partnerships) to enter DAS as business entities rather than as individuals. In order to propose a Debt Payment Programme in Business DAS, a business must seek advice from a qualified Insolvency Practitioner who must include a declaration that the programme is viable. The new regulations limit the duration of a Debt Payment Programme to a maximum of five years and also introduce a new requirement for all debts to be included in the programme, in both individual and Business DAS.

The Bankruptcy and Debt Advice (Scotland) Bill was introduced to the Scottish Parliament in June 2013 with Royal Assent granted on 29 April 2014 and was commenced on 1 April 2015.

This will be followed by a Consolidation Bill ensuring that, so far as possible, we have a single piece of bankruptcy law. This will aid the accessibility and understanding of this complex area of law.

A review of the changes to DAS and to Protected Trust Deeds (excluding those implemented in December 2014) is currently being undertaken and is expected to be completed during the period of this plan. We will also commence a consultation and review of diligence policy through this period.



Business as usual activity

The three-year corporate plan identifies key corporate goals that aim to develop, refine and improve our processes. AiB will continue to strive to improve the day-to-day services delivered to our customers and stakeholders. The core areas of our service delivery are:

Customer service

The Agency is committed to providing a quality service to all customers and has a Standards of Service document which sets out the standards we aim to provide. This document also provides information on the complaints procedure for customers who are dissatisfied with the level of service they have received. We value both positive and negative customer feedback and use this to identify any areas where we can improve and where we are getting things right.

Registration of insolvencies and adjudication of debtor bankruptcy applications

Our Insolvency Registration Team is responsible for the registration of bankruptcies and corporate insolvencies. The adjudication of debtor bankruptcy applications is also the responsibility of the team. On award of bankruptcy, this information appears on the Register of Insolvencies. The register can be accessed free of charge and a commercial download facility is also available to subscribers.

Bankruptcy administration

We manage a number of cases in-house including cases awarded under the new Minimum Asset Process (MAP). This role includes the realisation of assets and collection of contributions from debtors.

Contract operations

A proportion of cases are managed by providers through AiB's contract for insolvency services. The present contract came into force on 1 April 2013. AiB staff work closely with our providers to ensure cases are progressed efficiently and are managed in accordance with our Operating Manual.

Efficiencies and Technology

The Efficiencies and Technology Team is responsible for business analysis functions to improve operational processes and identify requirements to be incorporated in our internal computer systems. The team also plays a lead role in the management of key Information and Communication Technology (ICT) projects. The day-to-day support of our ICT systems and development of management information reports are also delivered through the Efficiencies and Technology Team.

Business as usual activity

Debt Arrangement Scheme (DAS)

The Accountant in Bankruptcy is also the DAS Administrator and has responsibility for the application of the Fair and Reasonable Test on DAS debt payment programme (DPP) applications and the maintenance of the DAS Register. AiB is responsible for the submission of DPP applications to creditors on behalf of public sector Money Advisers and conducting annual reviews on approved DPPs where there is no continuing money adviser.

Business DAS was introduced by the Scottish Government in December 2014 to help businesses (partnerships, trusts or unincorporated body of persons) to repay their creditors. Under Business DAS, an approved DPP allows debts to be paid back over an extended period of time while providing protection from diligence and freezing interest and charges. The duration of a DPP under Business DAS is limited to a maximum of five years and all interest and charges that would have been payable on the debts are written off when the DPP is completed.

Supervisory role

Where a private trustee is responsible for the administration of a bankruptcy, AiB has a statutory role to supervise this process. We audit and determine trustee accounts where no commissioners have been elected and report inappropriate behaviours to the sheriff. From April 2008, AiB also became responsible for supervision of protected trust deeds.

While work on business plan objectives continues, we will maintain our commitment to deliver high quality services across all areas of our business whilst aiming to reduce cost to the public purse.

Corporate goals

The following corporate goals were set when the three-year Strategic Plan was developed in 2012 to cover 2013-2016. This three-year plan comes to the end with the successful delivery of the new Scotland's Financial Health Service website:

<http://www.scotlandfinancialhealthservice.gov.uk> and the implementation of the Bankruptcy and Debt Advice (Scotland) Act in April 2015. The priority for the current year (2015-16) will be ensuring the effective implementation of both of these significant developments.

A new three-year Corporate Plan will be developed during 2015-16 by the new senior management team of AiB that will take over following the retirement of the current Chief Executive. They will lead AiB into its next phase and will continue to ensure the future direction and business of the Agency contribute to the vision of a Financial Health Service for Scotland and the Scottish Government's purpose.

Objective 1 **Facilitate Scottish insolvency and debt management legislative provision that supports economic growth and the vision of a Financial Health Service, which provides appropriate Scottish insolvency and debt management solutions and the rehabilitation and education of those in debt**

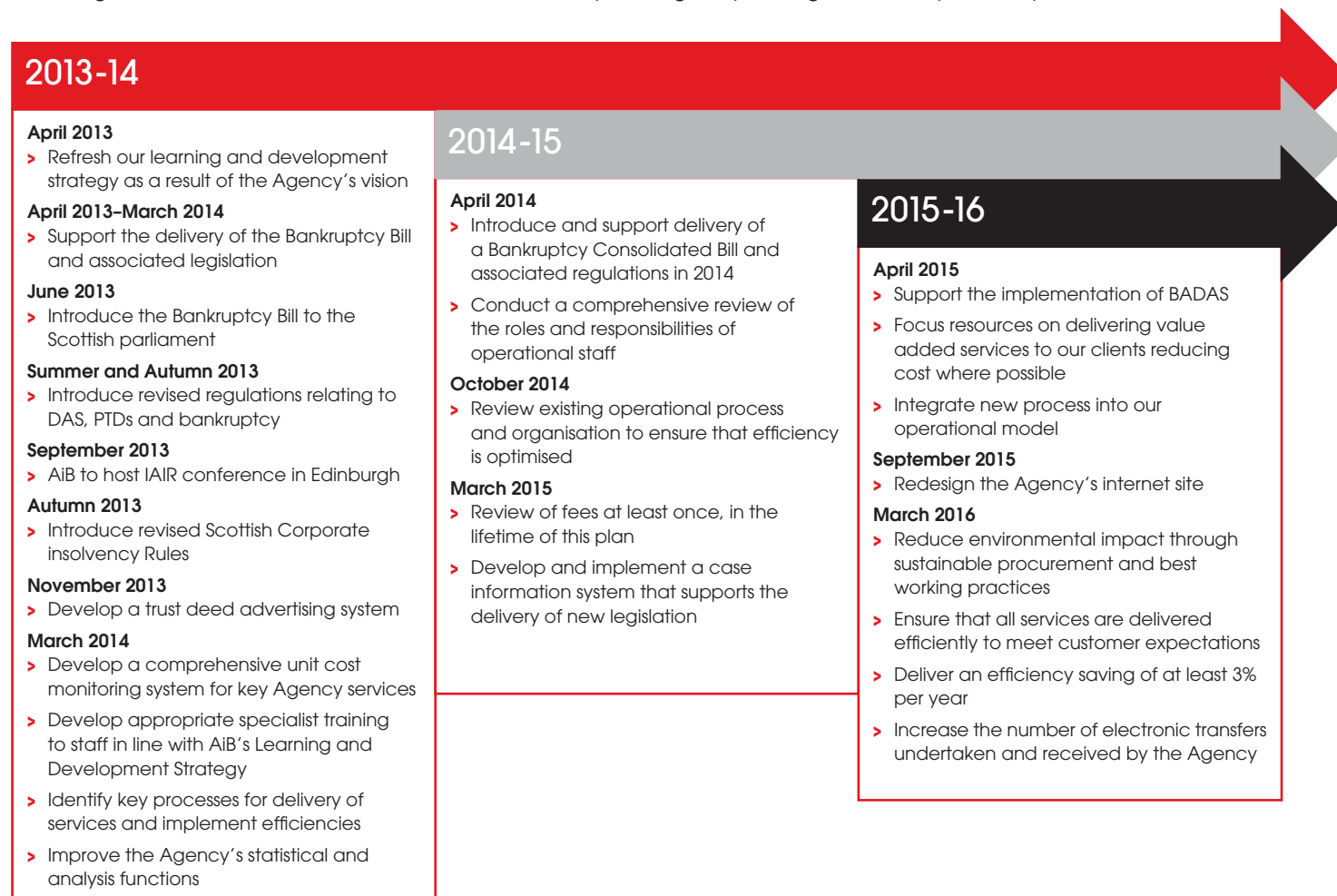
Objective 2 **Develop a new operational model to translate bankruptcy reform into efficient business processes which supports the delivery of excellent public services and enables AiB to maintain its progress towards full cost recovery on its delivery services**

Objective 3 **Develop a new Information and Communications Technology (ICT) system that supports the delivery of the new operational model and is consistent with the delivery of the Scottish Government's Digital Public Services Strategy**

Objective 4 **To have a workforce who are multi-skilled, flexible and capable of delivering existing and future services provided by the Agency that meets the needs of our stakeholders**

Objective 5 **Ensure Scotland contributes to the international landscape of insolvency regulations**

The diagram below illustrates the work undertaken by the Agency during this three-year Corporate Plan:

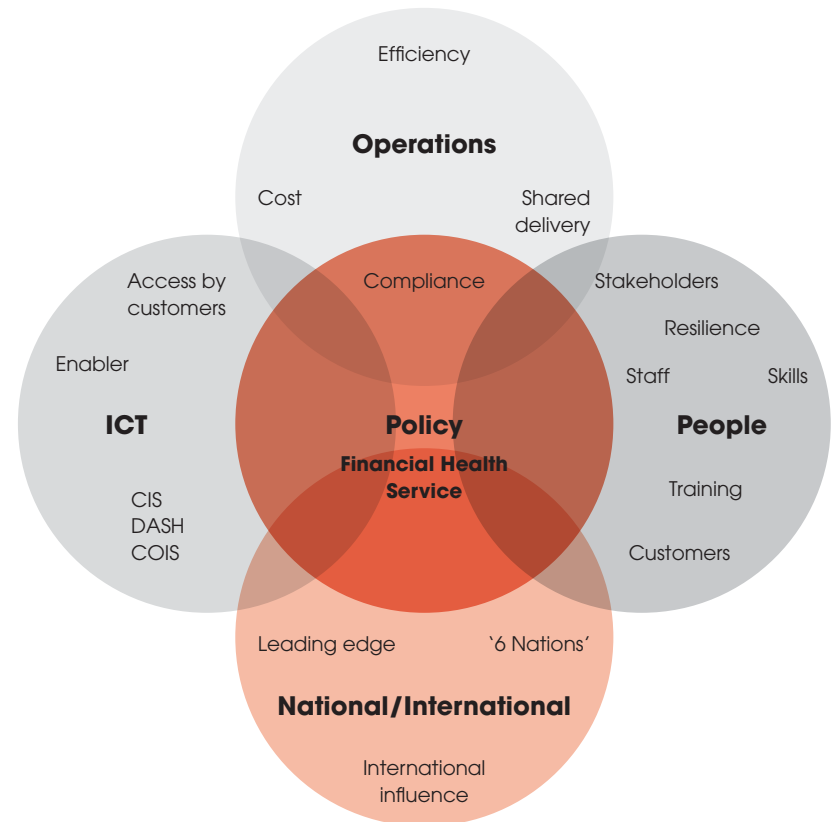


Inter-relationship of the objectives

A Financial Health Service for Scotland is at the core of all AiB's work. The creation of the Financial Health Service drives our operations and provides the framework for the development of our ICT systems. The learning requirements of AiB's staff are also geared toward modern service delivery under the auspices of the Financial Health Service.

Our on-going role in the International Association of Insolvency Regulators will allow us to heighten our awareness of developments around the world to help inform our policy-making function and ensure that we have an opportunity to influence international thinking on insolvency and debt management issues.

Ultimately, the Agency seeks to deliver a Financial Health Service for Scotland that improves service delivery, supported by modern legislation and working practices and realises best value for the public purse. To achieve this goal we have to build strong networks with our stakeholders and customers.



Key performance indicators

This Corporate Plan sets out the main activities and projects the organisation wants to achieve. Outputs and milestones from the plan are monitored and reported quarterly.

As part of creating this plan, the AiB Board saw a clear need to extend and adapt the current set of key performance indicators (KPIs) to ensure they properly represented the range of work completed by the Agency. These KPIs will allow us to measure our performance against various published targets and allow stakeholders to compare performance year-on-year.

The introduction of new bankruptcy legislation from April 2015 means some of the existing KPIs require review. In 2015-16 we will further monitor and develop our KPIs with associated targets in the following areas:

Timescales

- > To adjudicate and inform the outcome of debtor applications on receipt of all relevant information
- > To promptly determine accounts on receipt of all relevant information from trustees and agents
- > To adjudicate and inform the result of the Debt Arrangement Scheme applications on receipt of all relevant information

Creditor return

- > To increase the percentage of sequestration cases where a dividend is paid out to creditors

Customer service

- > To improve customer experience

People

- > Increase employee engagement

Cost of application processing

- > To reduce unit cost of sequestration
- > To reduce unit cost of DAS/ DPP

AiB's resources for 2015-16

AiB's operational activities react to the level of insolvency in society. The Agency ultimately has little direct control over the level of demand, however, we do seek to improve financial education and support to minimise the level of future insolvency wherever we are able to do so. Our vision is to create an insolvency service fit for the 21st century over the life time of this plan. To ensure we have the resources in place to deliver that vision, we have forecast the level of future demand and modelled the level of resource we will need.

Predicting the future is always difficult and this is the first time AiB has completed this work. It is therefore likely some forecasts and assumptions will be wrong but we believe the trend predicted is broadly correct. We are starting to see a decline in PTDs and DAS applications and have forecast a continued decline in sequestrations. Although the number of DAS applications is showing a small decline, the cumulative number of debt payment programmes continues to increase each year.

Predicted Case Volumes

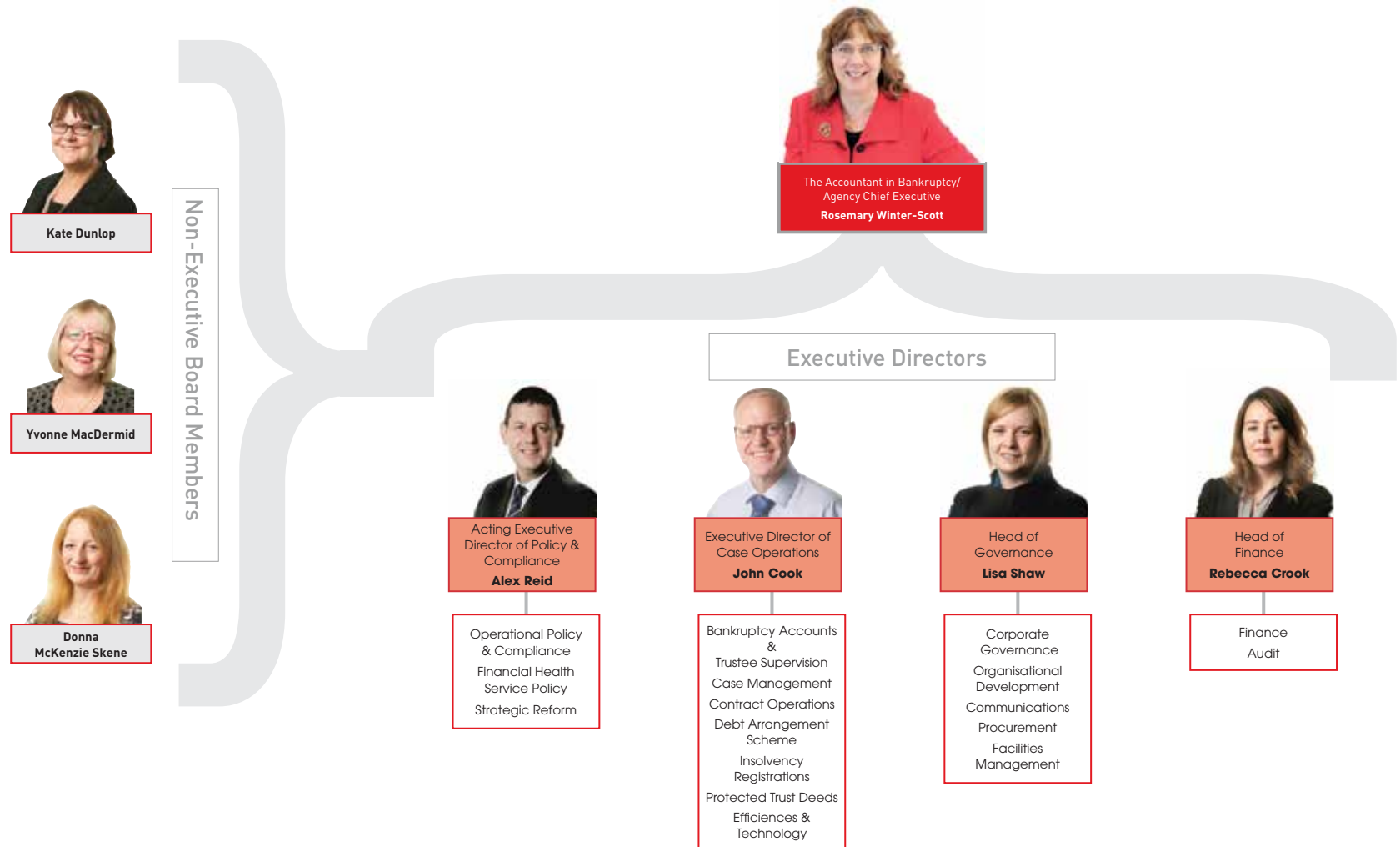
AiB Trustee Cases	2012-13 Actual	2013-14 Actual	2014-15 Forecast (At 31 Jan '15)	2015-16 Forecast (At 31 Jan '15)
LILA cases	3,481	2,737	2,453	0
% change on prior year	-	-21%	-10%	-100%
MAP cases	0	0	0	1,544
% change on prior year	-	-	-	100%
Non LILA/MAP Debtor Applications	3,857	3,003	2,694	3,018
% change on prior year	-	-22%	-10%	12%
Creditor petitions	1,391	1,328	1,342	1,355
% change on prior year	-	-5%	1%	1%
Total Sequestrations	8,838	7,112	6,505	5,933
% change on prior year	-	-20%	-9%	-9%
Breakdown by Trustee:				
Total AiB Trustee Cases	6,417	5,090	4,684	4,153
External Trustee Cases	2,421	2,022	1,821	1,780
Protected Trust Deeds	8,177	6,681	4,823	3,845
% change on prior year		-18%	-28%	-20%
Debt Arrangement Scheme	4,632	4,580	4,472	4,200
% change on prior year		-1%	-2%	-6%

Low Income Low Asset (LILA) bankruptcies will cease to exist from 1 April 2015 when the Bankruptcy and Debt Advice (Scotland) Act comes into force. Minimal Asset Procedure (MAP) cases will be introduced from this date. The new legislative framework along with an overall decline in caseload and a move to delivering more services digitally will change the level of resources and skills required by AIB staff by the end of the plan.

Description	2013-14 SG Budget Allocation £'000	2013-14 Actual £'000	2014-15 SG Budget Allocation £'000	2014-15 Forecast (At Jan 2015) £'000	2015-16 SG Budget Allocation £'000
Resource Funding Requirement	2,000	27	1,300	(295)	1,300
Capital Funding Requirement	0	723	1,500	1,287	500

Management structure and staffing

There are three main business units within AiB – Case Operations, Corporate Services and Policy Development & Compliance. Our senior management structure and staff resources as of April 2015 are illustrated in the following chart:



Annex A – Business Plan 2015-16

Objective 1

Objective (what)

Facilitate Scottish insolvency and debt management legislative provision that supports economic growth and the vision of a Financial Health Service, which provides appropriate Scottish insolvency and debt management solutions and the rehabilitation and education of those in debt.

Board owner (who)

Alex Reid, Lisa Shaw

Outcome (why)

Ensuring that everyone can access appropriate debt management or debt relief solutions that meet their circumstances while providing a fair return to creditors therefore supporting the Scottish economy.

National outcome

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

We have tackled the significant inequalities in Scottish society.

We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

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

What we will do to achieve this (how)

- > Continue with the development of **Scotland's Financial Health Service**
 - > Evaluate the uptake and effectiveness of the FHS website
 - > Facilitate research into the causes of bankruptcy and the link to any potential preventative measures
 - > Pilot a "Skills4Bills" project in local primary schools to support Financial Education in Schools
- > Support the implementation of the **Bankruptcy and Debt Advice (Scotland) Act**
 - > Monitor and report on stakeholder activity following introduction of BADA(S)
 - > Review the impact of the Common Financial Tool on debtors and creditors
- > Introduce and support the delivery of a **Bankruptcy Consolidation Bill**
- > Undertake a review of existing **diligence** provision
- > Ensure Scottish role in **corporate insolvency** is current and up-to-date

Target date (when)

- > April 2015 onwards
 - > October 2015
 - > December 2015

 - > October 2015

 - > April 2015 onwards
 - > On-going
 - > March 2016
 - > Autumn 2015 onwards
 - > April 2015 onwards
 - > On-going
-

Objective 2

Objective (what)

Develop a new operational model to translate bankruptcy reform into efficient business processes which supports the delivery of excellent public services and enables AIB to maintain its progress towards full cost recovery on its delivery services.

Board owner (who)

John Cook

Lisa Shaw

Rebecca Crook

Outcome (why)

To ensure that our services are high quality, continually improving, sustainable and efficient in line with the Scottish Government's National Outcomes.

National outcome

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

We have tackled the significant inequalities in Scottish society.

What we will do to achieve this (how)

- > Review the roles and responsibilities of operational staff after the implementation of BADA(S) to ensure that the Agency is effectively delivering the new service
- > Continue to review existing operational process and organisation to ensure that efficiency is optimised
- > Build on the agency's best value approach in the delivery of all services, ensuring that all services are delivered efficiently to meet stakeholder and customer needs and reducing costs where possible
- > Further refine the unit cost monitoring system for key Agency services
- > Further develop the Agency's statistical and analysis functions
- > Reduce environmental impact through sustainable procurement and best working practices
- > Review our fees, at least once in the lifetime of this plan, taking into consideration impact of bankruptcy reform
- > Deliver an efficiency saving of at least 3 per cent per year
- > Use 2015-16 as baseline collection period for identifying new KPIs, for the consolidation of existing KPIs, engaging with all stakeholders to ensure the KPIs are of value to them, and comparing to other executive agencies

Target date (when)

- > On-going to March 2016
- > On-going to March 2016
- > On-going to March 2016
- > On-going to March 2016
- > On-going to March 2016
- > On-going to March 2016
- > On-going to March 2016
- > Assessed annually in March
- > December 2015

Objective 3**Objective (what)**

Develop a new Information and Communications Technology (ICT) system that supports the delivery of the new operational model and is consistent with the delivery of the Scottish Government's Digital Public Services Strategy

Board owner (who)

John Cook

Outcome (why)

Ensuring our case management system is fit for purpose and meets current and future needs.

National outcome

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

What we will do to achieve this (how)

- > Ensure successful implementation of the case information system (BASYS) that supports the delivery of new legislation
- > Develop a long-term strategy for all AiB's case management systems
- > Redesign the Agency's internet site
- > Increase the number of electronic transfers undertaken and received by the Agency

Target date (when)

- > April 2015 - March 2016
 - > December 2015
 - > September 2015
 - > March 2016
-

Objective 4**Objective (what)**

To have a workforce who are multi-skilled, flexible and capable of delivering existing and future services provided by the Agency that meets the needs of our stakeholders

Board owner (who)

Lisa Shaw

Outcome (why)

Over the lifetime of this plan new legislation and the new ICT systems will require staff to adopt new working practices and develop new skills.

National outcome

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

We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

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

What we will do to achieve this (how)

- > Continue to invest in relevant staff development, including appropriate professional qualifications, to ensure that existing and new services are delivered effectively
- > Provide a structured range of staff development sessions which includes an opportunity for staff to learn from other parts of the Scottish & UK Governments and from users of the service
- > Seek to improve the employee engagement scores
- > Review the development of new skills areas required in relation to the introduction of the new powers from the new legislation, including existing staff and any new resources

Target date (when)

- > On-going to March 2016
- > April 2015 – March 2016
- > Survey in October 2015
- > April 2015 – March 2016

Objective (what)

Ensure Scotland contributes to the international landscape of insolvency regulations

Board owner (who)

Chief Executive

Outcome (why)

Ensuring that AiB learns from best practice elsewhere in the world and that AiB and Scotland are recognised for their progressive approach to bankruptcy legislation.

National outcome

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

What we will do to achieve this (how)

- > Actively engage with international bodies on promoting Scottish interests
- > Provide leadership to IAIR by chairing the organisation for a further year (the role of Chair will pass to the Deputy Chair of IAIR when Rosemary retires though AiB will still actively participate in IAIR)
- > Participate in IAIR studies which look at identifying and sharing best practice
- > Participate in the '6 Nations' subgroup of IAIR (UK and Irish insolvency regimes) which meet to share best practice and experiences twice a year
- > Commit to the SG International Framework and revised Government Economic Strategy by strengthening our external relationships, roles and networks

Target date (when)

- > On-going
- > September 2014 - September 2015
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Annex B – Corporate expectations

Every public body in Scotland has a different purpose, function and relationship with the Scottish Government. Although the Scottish Government has differing expectations of each body, there are certain areas Ministers would like to see aligned.

AiB is able to demonstrate a close alignment with almost all of the Scottish Government's expectations and its performance against the corporate expectations is listed below.

Community planning AiB delivers bankruptcy and debt management services across Scotland. The Agency does not have direct involvement with individual Community Planning Partnerships; however it works closely with Money Advice Scotland and Citizen Advice Scotland (CAS) to ensure that citizens have access to impartial information on bankruptcy and debt management.

Efficiency AiB sets its annual budget as part of its business planning cycle. It closely monitors spend through the year and all initiatives accepted onto its change programme must have a comprehensive benefits realisation plan.

Alignment to the National Performance Framework All AiB corporate objectives are aligned to the relevant Scottish Government National Performance Framework outcome. Business and corporate objectives are prepared with stakeholder input and the plans are published on the AiB website. Performance against these objectives is reported to the Scottish Government and is published in the Annual Report and Accounts.

Youth employment AiB recruited one new member of staff under the Young Persons Placement Scheme in 2013-14. Whilst AiB had recruited two new members of staff under the Modern Apprenticeship scheme in 2012-13 it has not recruited more since then due to the reducing need for administration grade staff resulting from the increased use of technology. The

Agency continues to participate in offering secondary school work experience placements and is offering six-month paid internships in AiB to three graduates during 2015.

Finance AiB's budget is set to meet the Scottish Government's 3 per cent cost saving target. All projects or changes must have a benefits realisation plan. AiB has received positive feedback from stakeholders on its ICT programme that has reduced administrative costs. The Agency will continue to review itself against the best value benchmarks set in 2014-15.

Fraud AiB has relevant fraud policies in place. The Agency has good financial and procurement internal controls and has had no reported incidents of fraud. AiB has agreed to share experiences with organisations in sister organisations within the British Isles to further improve our fraud policies and controls.

Shared services AiB makes extensive use of the Scottish Government's shared services in HR, finance, procurement, ICT and learning and development. It is AiB policy to use shared services where practical and cost efficient.

Workforce development AiB has a higher-than-average spend on training per employee than other parts of Scottish Government and the Agency provides support to allow staff to attain relevant insolvency qualifications. The Civil Service staff survey is published on AiB's intranet and focus groups are held to understand what specific actions need to be taken to improve engagement. Significant senior management time has been spent communicating the vision for bankruptcy reform to staff. AiB attained Healthy Working Lives (Gold) in 2014 and retained Investors in People Gold in March 2015. Secondments with other areas of the Civil Service are also encouraged.

Public appointment AiB has adhered to the relevant government policies and will continue to do so. Appointments to AiB's Board are made by the Agency Chief Executive and are not ministerial appointments. They are not regulated by the Public Appointments Commissioner for Scotland, however AiB acts in the spirit of its guidelines during the appointment process. They are recommended following open advertising in national media and after consideration by a panel which includes independent panel members.

Transparency AiB embraces the philosophy of transparency. Examples include adherence to Freedom of Information regulations, the publishing of business and corporate plans and open communication with stakeholders, especially the Debt and Insolvency Service Stakeholder Forum. In addition, non-executives sit on AiB's Board and on Audit Committee, and AiB has a strict policy of ensuring the Agency website is informative and up-to-date.

Annex C – Glossary of terms

Apparent insolvency – A legal term that means you are apparently unable to pay your debts and can lead to sequestration.

BADA(S) – The Bankruptcy and Debt Advice (Scotland) Bill 2014.

Bankruptcy – A general term which can be used to refer to personal insolvency generally or the process of sequestration.

Bankruptcy Restriction Order (BRO) – Restrictions placed on a debtor where their behaviour was inappropriate before, or during, their bankruptcy. A BRO applies restrictions to a debtor's credit and work activities. From 1 April 2015 AiB will be responsible for the award of BROs for periods not exceeding five years whilst the sheriff will fix the period of the restrictions if the proposed BRO exceeds five years. The maximum duration of a BRO is 15 years. Details of a debtor's BRO are recorded in the public Register of Insolvencies.

Bankruptcy Restriction Undertaking (BRU) – If the debtor acknowledges that their behaviour was inappropriate, either before or during their bankruptcy, they can agree to enter into a Bankruptcy

Restriction Undertaking (BRU). A BRU imposes the same restrictions as a BRO but does not require an application to a sheriff. The period of the BRU can be shorter than a BRO imposed by a sheriff. Details of a debtor's BRU will be recorded in the public Register of Insolvencies. BRUs are abolished as of 1 April 2015.

Creditor – Any person, business or organisation which is owed money by another.

Debt Arrangement Scheme (DAS) – A debt management tool introduced by the Scottish Government and accessed through an approved money adviser (see www.dasscotland.gov.uk). It may help debtors who have one or more debts and want to pay what they owe by giving more time for repayments free from the threat of enforcement (diligence) or bankruptcy. DAS may be also be accessed by partnerships, trusts or unincorporated bodies, though distinct rules apply.

DAS Debt Payment Programme (DPP) – A proposal that allows a debtor to pay their debt over an extended period of time. The

DPP can be for any amount of money or for any reasonable length of time.

Debtor – Any person who owes money to another.

Discharge – The formal termination of a legal office or state, e.g. trustees may apply to be formally discharged once their functions are completed. A debtor is also discharged from bankruptcy, usually one year after the date of their sequestration.

Dividend – The distribution of funds to creditors in a sequestration. Also, the proportion of the debt repaid to a creditor in a sequestration; expressed as x pence in the pound.

Edinburgh Gazette – An official newsletter published twice-weekly for the government by the Stationery Office in which various official announcements are recorded. Previously, notifications of sequestration awards required to be published in the Edinburgh Gazette however, this requirement ended on 15 November 2010. Details of all bankruptcies and protected trust deeds are published in the Register of Insolvencies.

Executive agency – A discrete unit set up to undertake an executive function of government.

Financial Health Service (FHS) – A web-based service which brings together different strands and sources of information and advice, so that anybody with a concern or an issue relating to debt or borrowing can find the help and assistance that they need on a single site.

Framework document – A document setting out the key principles of accountability for executive agencies.

International Association of Insolvency Regulators (IAIR) – An international body that brings together the collective experiences and expertise of government insolvency regulators from jurisdictions around the world.

Low Income Low Asset (LILA) – LILA is the route into bankruptcy introduced to provide debt relief to debtors who cannot afford to pay their debts and have low income and limited assets. Many debtors find that their creditors are unwilling to take the legal action required to bring

about their bankruptcy because of the administrative and legal costs incurred, often without the creditor receiving any dividend at the end. The LILA route into bankruptcy was abolished on 1 April 2015.

Minimal Asset Process (MAP) – A route into bankruptcy introduced on 1 April 2015. Eligibility for the MAP is restricted to debtors with limited assets who cannot afford to make a contribution toward their bankruptcy and owe their creditors less than £17,000.

Money adviser – Somebody trained to offer advice on debt usually a local authority money advice unit or Citizens Advice Bureau.

Petition – The legal term for a particular type of application to the court.

Protected Trust Deeds (PTD) – A trust deed is a form of insolvency that transfers a debtor's estate to a trustee to be realised for the benefit of creditors. A trust deed may be protected as long as a majority in number or a third in value of creditors do not object to its terms. Once protected, the terms of the trust deed becoming binding on all the creditors.

Register of Insolvencies (ROI) – A public register that records details of all sequestrations awarded in Scotland. It also contains details of protected trust deeds, details of companies in receivership or liquidation since 1 July 1999 and details of BROs/BRUs.

Sequestration – The Scottish legal term for the formal process of bankruptcy.

Trustee – A person who administers a sequestration or a trust deed. In sequestrations a trustee can be either the Accountant in Bankruptcy or a private insolvency practitioner (normally a chartered accountant who specialises in personal bankruptcy). In trust deeds, trustees must be an insolvency practitioner.



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