

Government Response to Consultation on Insolvency Statistics

- Quarterly insolvency statistics release (National Statistics)
- All other Official Statistics on Insolvency

A National Statistics Consultation

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Introduction

1. This document summarises the responses received and the subsequent Government response to the 'Consultation on Insolvency Statistics'. The consultation opened on 26 July 2010 and ran for 12 weeks, closing on 18 October 2010.
2. The quarterly Insolvency statistical release (also referred to hereafter as *Insolvency Statistics*) is a National Statistics¹ publication produced by the Insolvency Service (InsS), an Executive Agency of the Department for Business, Innovation and Skills (BIS).
3. The publication mainly consists of trends in numbers of corporate and personal insolvency procedures. It also includes breakdowns of these procedures and other related statistics. The primary focus of the *Insolvency Statistics* is England and Wales, in line with the main policy remit of InsS. A smaller set of statistics is included for both Scotland and Northern Ireland. All statistics are sourced from management information maintained by the InsS, Companies House or within the devolved administrations.
4. Further information on the Insolvency Statistics can be found on the Insolvency Service website at www.insolvency.gov.uk/statistics
5. In March-April 2010 the Insolvency Statistics were the subject of an 'Assessment' conducted by the United Kingdom Statistics Authority, which has a statutory obligation to formally assess all National Statistics against the Code of Practice for Official Statistics. The Insolvency Statistics were confirmed as National Statistics, subject to fulfilling a number of requirements. One of these requirements identified was to "take steps to engage more effectively with users and make those steps known; publish information about users' experiences of these statistics". The full report is available here: <http://www.statisticsauthority.gov.uk/assessment/assessment-reports/index.html> (number 44, 27 May 2010). This consultation was partly in response to this report, but also provided the opportunity to consult on a wider range of statistics and topics.
6. The primary purpose of this consultation was to seek views on the usefulness of the quarterly *Insolvency Statistics* from the user perspective, including the historic series. However, we were also seeking views on all other Official Statistics published by InsS, as well as more general input from the users of our statistics. We were inviting suggestions for what else might be provided, but any proposals for additional statistics need to be considered against public spending constraints. The document also invited views on whether any of the statistics are not widely used and could therefore be discontinued.
7. The consultation also contained questions for users and stakeholders on how the current methodology for producing the current range of statistics could be improved to make them more relevant and useful, as well as inviting suggestions for additional statistics or those which are not widely used and could therefore be discontinued.

¹ National Statistics are a subset of Official Statistics which have been nominated by ministers for assessment by the UK Statistics Authority and certified by the UK Statistics Authority as compliant with its Code of Practice for Statistics. For further information see: <http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html>

8. The response document is structured around the questions in the consultation document. Responses are organised into four key themes – methodology, scope of the publication, presentation of data and format and dissemination. Each question from the consultation document is repeated followed by a summary of the responses to that question and the Government response.

Indication of who responded

9. This consultation was relevant to users of all Insolvency Service Official Statistics. A total of 36 responses were received, the majority being from central government and academics.
10. The table below gives a summary of the type of organisation that responded.

Type of Respondent	Number of Responses
Central Government	10
Local Government & Other Public Sector Bodies	1
Financial Sector	2
Academic	11
Insolvency Professional or Representative Body	5
Debt Advisor	3
Individual	4

Additional stakeholder engagement

11. After the formal Consultation had closed, an initial examination of the responses led to the decision to hold one or more Stakeholder Meetings to enable users to contribute their views and requirements more fully and in a more structured way.
12. Those invited to attend these meetings have primarily been drawn from the group of users who responded meaningfully to the Consultation, and have been chosen to include representation from within The Insolvency Service and central government; from the insolvency profession; from those in the debt advice sector; and from academia.
13. Dates have now been set during January 2011 for two meetings: one to focus primarily on corporate insolvency statistics and the other on statistics more relevant to individual insolvency (with some overlap). It is possible that there will also be further opportunities to engage in an ongoing dialogue with a wider range of users of the statistics.

14. Because of the proximity of these stakeholder meetings to the Consultation and publication of this Government Response, the contents of this document are provisional and the responses indicated to particular requests should not be considered to be definite commitments. The stakeholder meetings will further inform the priorities for statistical work going forward, as, of course, will the public sector budget cuts, which are expected to impact on the resources available for the production of Official Statistics.

General responses to the consultation

15. A number of respondents chose to submit a more general response, as opposed to considering each of the questions posed in the consultation separately.
16. Where possible, these responses, either as a whole or in part, have been included as a response to a question where it was felt they best fitted and have been considered in the Government Response to that question.
17. As part of these responses, there were a number of indications as to what the Insolvency Service Official Statistics are used for. Being aware of the main uses of the statistics is valuable for deciding future priorities and these uses have been summarised at Annex B.

Chapter A: Government response to the questions on the methodology

Question 1. Details of our methodology are provided in Annexes A and B and in Notes pages accompanying the publications. Are there any improvements that you would wish to suggest?

18. Two respondents replied to this question. One of these responses was specific to seasonal adjustment, which will be covered in the responses to Question 2 and the other was supportive of the methodology as it stands.

Government Response:

19. *As no suggestions were made about general changes to the methodology, this will not be changed for the Insolvency Service Official Statistics as a result of this consultation.*

Question 2. Seasonally adjusted series for company liquidations and personal insolvency are produced for the quarterly statistics release, allowing comparisons to be made, for example, with the most recent quarter. Do you find the seasonally adjusted series of use?

20. Eight respondents replied to this question. Half of those felt the seasonally adjusted series are of use, while other did not, reflecting their different uses of the statistics.
21. Of those who did not use the seasonally adjusted series, one was specifically interested in the seasonal effects on the series. Other responses indicated a lack of understanding of the purpose of seasonal adjustment.
22. On the supportive side, the value in being able to make like for like comparisons with one period to another was emphasised.
23. There was also a concern about whether the cost of running seasonal adjustment could be better used in other ways.

Government Response:

24. *We have now published more detailed information on the uses and value of seasonal adjustment and how it directly affects the Insolvency Statistics. We have also provided direction towards the Time Series Analysis Branch of the Office for National Statistics, who would be able to provide more general information and advice on time series methodology if required.*
25. *Seasonal adjustment is currently carried out using X12-ARIMA, the recommended software for seasonal adjustment in UK National Statistics. Most headline economic indicators are seasonally adjusted and X12-ARIMA is a free-to-download program that is available from the US Census Bureau, who are also responsible for the programme's development. Because of this, no additional IT cost is incurred as a result of seasonally adjusting the data. Staff resource required to seasonally adjust the data is generally small, with more*

work required for the annual model review, but this is considered to be a useful development area for new statistical staff.

26. *We will continue to publish seasonally adjusted series alongside the unadjusted data, where it remains appropriate to do so. The methodology will be reviewed regularly in line with best practice.*

Question 3. Due to the introduction of DROs in 2009, the seasonally adjusted bankruptcy orders series was discontinued. This was a necessary change due to no longer having a series on a consistent basis (at least in the short term). Did this result in any particular negative consequences?

27. Three respondents replied to this question. There were no negative consequences identified as a result to this discontinuation of the seasonal adjustment of the bankruptcy series.

Government Response:

28. *We are pleased to hear that no negative effects were identified. We will inform users of the progress made towards re-commencing the seasonal adjustment of this series in due course.*

Question 4. Insolvency rates per 10,000 adult population are published in the annual regional statistics. Would a similar rate-based series be a useful addition to the quarterly National Statistics release? (This would have to be based on mid-year population estimates/projections.)

29. Six respondents replied to this question. The majority of these felt that the inclusion of the rate of individual insolvencies would be a useful addition to the quarterly statistics.
30. It was also mentioned that a rate based series for the number of corporate insolvencies would also be a welcome addition to the Insolvency Statistics

Government Response:

31. *A 12-month rate of individual insolvencies has been included in the latest edition of the Insolvency Statistics. We will look at whether this could be extended to produce a series in the form of an additional table.*
32. *This also included an equivalent rate-based series for company liquidations, although this has been included in Table 7 of the Insolvency Statistics for several years.*

Question 5. Do you have any views on the source data used, or any suggestions for alternative or additional sources?

33. Three respondents replied to this question, of which the only substantive suggestion relating to data referred to a source outside of the direct scope of the Insolvency Service statistics.

Government Response:

34. *No changes are proposed to the source data used to compile the Insolvency Service Official Statistics as a result of this consultation.*

Question 6. Currently, revisions are not routinely made to most data series (other than those seasonally adjusted, or subject to a specific exercise). However, any errors identified are corrected. To make revisions routinely to data series would be resource intensive and potentially result in only small changes for the majority of statistics which are based on the date of registration. If we were to target particular areas for regular revisions, which would these be?

35. Two respondents replied to this question. No specific areas for revisions were identified, but it was suggested that only revisions over a certain magnitude should be made.

Government Response:

36. *The Insolvency Service has now published a revisions policy, detailing exactly how revisions to the publications will be dealt with. It may be viewed on the website from the following link: <http://www.insolvency.gov.uk/otherinformation/statistics/revisions-policy.pdf>*
37. *The Insolvency Service is currently undergoing a major upgrade to the administrative systems used, which has the potential to change some aspects of the way in which the statistics are compiled once the system is established. The Insolvency Service Statistics Team will investigate the impact this may have on revisions to the data and report on any changes to its policies as appropriate.*

Chapter B: Government response to the questions on the scope of the publication

Question 7. Do the statistical releases cover all of the areas that you think should be included?

38. 11 respondents replied to this question, although many of those responses contained specific details on additional information that would be useful. These responses are therefore considered with those given for Question 8 below.
39. The general consensus is that the current range of statistics is the minimum that is wanted by our users, but does not cover everything that is desirable.

Government Response:

40. *We aim to continue publishing all the information that is currently available (subject to the response to Question 9).*
41. *All specific requests for additional data series will be considered in the response to Question 8.*

Question 8. Are there any additional series or breakdowns that you would like to see included in either the quarterly release or the annual Official Statistics releases?

42. 16 respondents replied to this question, plus those who responded to Question 7 with requests for additional information. There were many requests for a wide range of additional information to be published. These are listed below:
- Bankruptcies
 - number of bankrupts discharged early
 - average time before discharge
 - number of bankruptcy restriction orders/undertakings
 - information on antecedent recoveries
 - Individual Voluntary Arrangements (IVAs):
 - how long an IVA lasts before failure
 - total number of ongoing IVAs
 - number of completions in a given period (eg. Quarterly)
 - average dividends/debts/fees
 - proportion of failed cases that subsequently go bankrupt
 - number of cases that have been through multiple insolvency procedures
 - Individual insolvencies broken down by:
 - age
 - ethnicity
 - occupation
 - income bracket

- home ownership
- asset levels
- number of trustees
- average indebtedness

- Number of Debt Management Plans

- Company insolvencies broken down by:
 - size
 - region
 - turnover
 - date of incorporation/age
 - debt levels

- Number of companies moving from one insolvency procedure to another (including those moving from administration to creditors' voluntary liquidation)
- Total number of company insolvencies
- Number of pre-pack administrations
- Number of Members Voluntary Liquidations
- Number of Law of Property Act Receiverships
- Number of director disqualifications
- An Insolvency Trade Classification breakdown of registered companies
- More information on companies struck off under the Companies Act 2006 s1000, specifically what proportion of these companies were insolvent.
- Number of redundancies by size of company
- Time taken for an insolvency procedure to reach completion
- Longer back series of data
- Rate of company insolvencies
- Insolvency Rates

Government Response:

Bankruptcies:

Early Discharge Statistics:

43. *Whilst we realise that this information is of interest, it has been announced that the early discharge provisions will be repealed as soon as there is a legislative vehicle to do so. As a result of this, there is little value in including a series on the number of bankrupts discharged early as it will not provide continuity in the statistics. There is some information on the number of bankrupts discharged early in the consultation for petition reform (Page 74, http://www.insolvency.gov.uk/insolvencyprofessionandlegislation/con_doc_register/Debtor%20Petition%20Reform%20Final%20Nov%2009.pdf)*

Average Time Before Discharge:

44. *Including the average time before discharge within the range of Insolvency Service Official Statistics would be difficult, due to the length of time after the bankruptcy order that would be required to produce accurate figures.*
45. *It is however, something that could be conducted as a one off piece of research or included within reports investigating the profile of bankrupts. If such reports are commissioned in the future, we will seek to include these statistics.*

Bankruptcy Restriction Orders & Undertakings:

46. *We will look again into the feasibility of publishing this information within the Insolvency Statistics. This will depend on whether the data is available for the required time periods is fit for purpose and will not place substantial burdens on other work areas to supply.*

Antecedent Recoveries:

47. *The information recorded for antecedent recoveries is not suitable for publication as an Official Statistics series. This is something that may be suited to a research project or profiling report. If such reports are commissioned in the future, we will seek to have these statistics included.*

Individual Voluntary Arrangements (IVAs):

Completion & Failure Statistics:

48. *We already publish some information on the number of IVAs that have been completed, have failed or are still ongoing. However, we will improve this information by including the following:*
- *The total number of IVAs that are still ongoing*
 - *The number of completions that occurred in each quarter of the latest published year*
 - *A more detailed analysis of failed IVAs, including how many failed within the first, second year etc and the percentage of total registrations/failures.*
- We intend to implement this change in the next publication of IVA Outcome Statistics, but we do not currently have an agreed timetable for this, as we are waiting for a new IT system to be fully implemented.*

Additional Breakdowns of IVA Statistics:

49. *Detailed information on IVAs is limited, as Insolvency Practitioners are not required to provide many details to the Insolvency Service. Information collected includes gender, date of birth, registration date and current status. No consistent information is held by InsS on cause of failure, debt levels, fees or insolvency prior to IVA.*

Debt Management Plans (DMPs):

50. *DMPs are currently a non-statutory debt management solution and, as such, do not fall under the regulation of the Insolvency Service, or any other government department. Because of this, and the fact that they are not a form of insolvency, it does not fall within the remit of the Insolvency Statistics.*

51. *As DMP providers are not obliged to notify anyone of DMP registrations, there are no reliable and consistent figures we could draw on to publish this information. Whilst we understand the relevance of this information, we are not able to provide it.*

Additional Breakdowns of Individual Insolvencies:

52. *We will look into whether it is possible to publish any of the additional breakdowns requested. Whether it is feasible will depend of the availability of the information on the database and the resource required. For example, information on ethnicity is historically poor. We are hopeful this will be much improved in the future, but it may be that currently there is little value in publishing this information due to the amount of missing data.*
53. *We will keep this under review and attempt to publish as much as is available, within resource constraints.*

Additional Breakdowns of Corporate Insolvencies:

54. *Although we would like to publish additional breakdowns of corporate insolvencies, in particular by region, company size and age, we do not currently have the information available to us to do this. We have been working on obtaining the necessary case level data from Companies House that is consistent with the statistics we already publish.*
55. *If we were to obtain this information, it would enable us to publish regional statistics (on a similar basis as those for individual insolvencies), insolvencies by company size and age of company. However, this would be a substantial piece of work and would depend on the available resource at the time.*
56. *This dataset would also allow us to track a company through insolvency procedures so we would be able to estimate the number of companies that have been through multiple procedures, as well as to estimate the total number of company insolvencies, without the risk of double counting.*

Number of Pre-Pack Administrations:

57. *We will not be reporting on the number of pre-pack administrations, as Official Statistics, as it is not possible to obtain accurate information on these. Insolvency Practitioners are not obliged by law to notify the Insolvency Service of a pre-pack administration, so there is no complete information available on this.*
58. *There are however some ad-hoc research reports on the number of pre-pack administrations that are available on the Insolvency Service website.*

Law of Property Act (LPA) Receiverships:

59. *Companies House, our data suppliers for the overall number of receiverships, are not currently able to distinguish LPA Receiverships from the extractable information on their database. Until they are able to, it is not possible for us to publish this series.*
60. *Currently, the only way to identify these cases would be by examination of the documentation filed at Companies House for each case separately.*

Director Disqualifications:

61. *We did, for a short period of time, publish information on the number of director disqualifications until the quality of the data was found to be not sufficiently good enough for us to continue to publish as Official Statistics.*
62. *As there appears to be a growing interest in the number of director disqualifications, we will revisit the data quality issues and try to determine if we could now publish these figures within the Insolvency Statistics.*
63. *Currently, statistics on directors disqualifications are available on request from the Insolvency Service, via the Enquiry Line, information for which can be found at <http://www.insolvency.gov.uk/contactus/enquiryline.htm>*

Members Voluntary Liquidations (MVLs):

64. *Figures for MVLs are currently available on request from the Insolvency Service Statistics Team.*
65. *As MVLs are not an insolvency procedure, these figures will not be included in the Insolvency Statistics, however we will publish them as a separate series on the website as soon as possible.*

Insolvency Rates (including corporate insolvency rates):

66. *The rate of liquidations, in England & Wales and Scotland, can be found in Table 7 of the Insolvency Statistics. We only consider the rate of liquidations as there is a longer consistent time series and there is no element of double counting as there would be if we added together all corporate insolvency procedures.*
67. *Information on the rate of individual insolvencies can be found either in the Individual Insolvencies by Region publication, or some limited information can now be found in the commentary accompanying the Insolvency Statistics.*

Longer Back Series of Data

68. *Historic data series are available on the statistics section of the Insolvency Service website, at the following link:
<http://www.insolvency.gov.uk/otherinformation/statistics/historicdata/HDmenu.htm>
Information on insolvencies from 1960 can be found here.*

Insolvency Trade Classification (ITC) Breakdown of Registered Companies

69. *This information is not available. Please see the response to Question 11 for information on how we intend to address the discrepancies between the ITC and SIC2003.*

Numbers Struck Off under the Companies Act 2006 s1000

70. *This falls outside the remit of the Official Statistics on Insolvency.*

Redundancies by Size of Company

71. *Data that would allow us to carry out this analysis is not currently recorded within the Redundancy Payments section of InsS.*

Time Taken for Completion of Insolvency Procedure

72. *To implement this across the range of insolvency procedures would be very time consuming (and in some cases not currently possible from available data) and there is currently no resource available to do this.*

Question 9. Are there any published series or breakdowns that you consider to be unnecessary, which could be discontinued?

73. 9 respondents replied to this question, generally indicating that they would not welcome any reduction in the range of statistics published. Whilst there were indications that not all users make use of all the data series, this appears to be a job specific requirement.

74. Overall, it was indicated that all of the current range of statistics are used.

Government Response:

75. *The Insolvency Service with endeavour to continue publishing the current range of statistics, as well as to continue to develop and improve the information available, where possible, within the constraints currently imposed by budget restrictions.*

Question 10. Are the intervals between figures in the published tables of an adequate frequency (i.e. is the periodicity of the data sufficient)?

76. Three respondents replied to this question. It was generally considered that quarterly releases are appropriate for the Insolvency Statistics. However, it was suggested that at times, such as during the recent economic downturn, it would have been useful to have information available on a more frequent basis.

Government Response:

77. *To increase the frequency of publication of the Insolvency Statistics would require a significant increase in resources. Due to the current public spending cuts, and considering the general opinion that the current publication schedule is adequate, the Insolvency Statistics will continue to be published on a quarterly basis.*

Question 11. Is the industry breakdown provided in the quarterly National Statistics release tables sufficiently detailed?

78. Five respondents replied to this question. It was generally considered that the published industry breakdowns are sufficiently detailed.

79. However, there were some concerns about the discrepancies between the industry classifications used in the past and that recent data is not consistent with that from before

2007. It has been requested that a conversion exercise be carried out on the historic data to produce a more useful time series analysis.

80. The relevance of using the Standard Industry Classification (SIC) has been raised, in that the classification does not seem to represent the nature of individuals who are going bankrupt.
81. Also, it was suggested that we should move from using SIC2003 to the updated SIC2007.

Government Response:

82. *As it appears that users think the current industry breakdowns are sufficiently detailed, we will continue to publish them in the current form. We will review this stance periodically and invite users to supply us with their views as the economic focus changes.*
83. *We will, when resource permits, carry out an exercise investigating the feasibility and value of converting the historic industry data to an SIC basis. If the conversion is not practical, we will attempt to provide some supporting documentation on how the SIC compares to the Insolvency Trade Classification (used in the historic data), which would be available on the website.*
84. *SIC is used as it is a standard classification that is used in other UK National Statistics, as well as across Europe. This standardisation allows for useful comparison of our statistics to other publications and it is expected by the UK Statistics Authority that standard classifications should be used where possible in the interest of harmonisation. As a result, we will continue to publish industry breakdowns according to SIC.*
85. *We are aware that the SIC2007 is being more widely implemented across UK National Statistics and would like to move to using the updated classification as soon as possible. However, we are bound by the data collected by our data suppliers, in this case is primarily Companies House and internal to InsS. When Companies House implement the change from SIC2003 and when the necessary internal database development work can be undertaken, then we will see to develop industry breakdowns by SIC2007. As yet there is no timetable for when Companies House intend to make this change.*

Question 12. Are there any specific industries that would be useful to identify separately in the breakdown?

86. Three respondents replied to this question. The only specific industry that more information was requested for was the 'leisure' industry.

Government Response:

87. *Whilst it would be useful to some to publish information on the leisure and tourism sector, it is not currently easy to identify which parts of the SIC relate to this industry. This difficulty is recognised by the respondent requesting this information.*

88. *We will review this position on implementing SIC2007.*

Question 13. Should age and gender splits of bankruptcies, IVAs and DROs be published alongside the annual regional statistics?

89. Five respondents replied to this question. All of them were very keen for the age and gender splits for individual insolvencies to be published.

Government Response:

90. *It is proposed that annual totals for bankruptcy orders, debt relief orders and individual voluntary arrangements broken down by age group and gender will be published alongside the next edition of the Individual Insolvencies by Region, provisionally due to be published in July 2011.*

Chapter C: Government response to the questions on the presentation of the data

Question 14. Are the statistics presented in a way that is clear and understandable?

91. Four respondents replied to this question. It was generally considered that the layout is clear and understandable.
92. The only issues raised were that more definition of terms would be useful and that there is some confusion as to why liquidations are presented separately to the other company insolvency procedures, such as administration and receivership, and a 'total' number of company insolvencies is not provided.

Government Response:

93. *As the same company can progress through more than one insolvency procedure, it is not considered statistically valid to add them all together; this is explained in the Notes to Editors. Some more information on this will be published in early 2011, as part of the Guide to the Insolvency Statistics. This will be available on the website once it is finalised.*
94. *We will continue to produce the tables in the current format and review the layout periodically as the data included changes and evolves.*

Question 15. Is the layout of the tables within the statistical releases suitable and understandable?

95. Five respondents replied to this question. Generally, the layout of the statistical tables was considered to be suitable.
96. One respondent commented on the formatting of the tables when they are printed, in that some are very small making them hard to read.

Government Response:

97. *As there were no major objections to the layout, we will continue to publish the Insolvency Statistics in their current form.*
98. *We have been aware of the problem with the formatting of the pdf versions of the tables and have been working on solving this for some time. We will continue to investigate the problem and will rectify it as soon as possible.*

Question 16. Are the percentage change figures included at the bottom of the quarterly release tables useful and easy to understand?

99. Four respondents replied to this question. It was considered that the percentage change was useful and should be included in the Insolvency Statistics. However, it was noted that the layout and labelling could be improved to aid understanding.

Government Response:

100. *We will continue to include the percentage change figures but will review the layout and labelling in an effort to clarify the meaning.*

Question 17. Are there any data within the releases that you think would benefit from being presented as a chart? If so, please specify which data sets and what types of chart would be most useful (for example, a bar chart of company liquidations by headline industry sectors for the most recent quarter).

101. Four respondents replied to this question. Three of these thought it would be best if the user created their own charts of any information they required pictorially, in addition to the graphs already presented.

102. One respondent requested that the headline industry sectors were presented in a chart.

Government Response:

103. *We have considered the feasibility and practicalities of producing charts for the industry tables and have decided not to do this.*

104. *There are too many sectors to include on one chart and ensure it is clear and understandable. When you add to this that some, smaller industries will have had a very small number of insolvencies in any period and other industries may have had very many, any graph produced from these figures could be misleading.*

105. *Additionally, we feel that any chart like this would encourage a direct comparison of insolvencies between sectors, which when considering levels of insolvencies only would not be appropriate. This is because a comparison of this sort does not take into account the number of businesses in each sector. A rate based analysis would be suitable but this requires information on the active register by sector on the same basis as the industry tables we currently publish, which is information we do not currently have access to (see response to Question 8)*

106. *In light of this and there being no further requests for additional charts, we will not be including any additional charts with the Insolvency Statistics for the time being.*

Question 18. Were the maps included with the regional statistics in July 2010 a welcome addition?

107. Four respondents replied to this question. All four respondents were very pleased with the addition of maps as part of the *Individual Insolvencies by Region* release.
108. One respondent suggested that the maps should show insolvencies at a lower level of detail, but this request will be considered with the response to Question 19.

Government Response:

109. *We were pleased to discover the maps were a welcome addition to the Individual Insolvencies by Region release and will continue to include maps of some form (subject to the response to Question 19) with this publication in the future.*

Question 19. Would any other data within the regional statistics release benefit from being included as a map?

110. Four respondents replied to this question. There were a few suggestions for additional information that could be usefully presented as a map.
111. These were to map individual insolvencies at a lower level of detail, such as county or local authority level. It was also suggested that maps for company insolvencies and all formal insolvency procedures should be published.

Government Response:

112. *When we were considering including maps with the latest release of Individual Insolvencies by Region we looked into the different options available to us. To publish maps at a lower geography would require a large number of labels in order for users to locate the area they are interested in and we felt this would reduce the impact of the map. Because of this, we opted to use Government Office Region but we will review this stance when we publish the next edition of Individual Insolvencies by Region.*
113. *Partially addressing this request, we have produced an animated map (in conjunction with the Office for National Statistics) showing individual insolvencies at the local authority level, which will be available on our website.*
114. *We have discussed our current position regarding the production of corporate insolvencies by region in response to Question 8. If we find ourselves able to publish these statistics, we will include equivalent maps to those found with the Individual Insolvencies by Region publication.*

Question 20. Should the regional statistics include changes on the previous year?

115. Four respondents replied to this question. All respondents said they would welcome the inclusion of a percentage change comparison of this sort.

Government Response:

116. *We will aim to include the percentage change of the current year of publication compared to the previous year in the next publication of Individual Insolvencies by Region, provisionally due to be released in July 2011.*

Question 21. Is the commentary in the quarterly statistics release at the right level of detail?

117. Three respondents replied to this question. All respondents said the commentary accompanying the Insolvency Statistics is at the right level of detail.

Government Response:

118. *Some changes and additions have been made to the commentary accompanying the Insolvency Statistics and supporting documentation in response to requirements made by the recent UK Statistics Authority Assessment of the Insolvency Statistics (Requirement 4, Report 44, <http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/index.html>)*

119. *We will continue to review this commentary and will update it as necessary.*

Question 22. Is the balance of tables, charts and text in the quarterly release commentary adequate for your needs?

120. Three respondents replied to this question. All three respondents said the current balance of tables, charts and text in the Insolvency Statistics release is perfectly adequate for their current needs.

Government Response:

121. *We will continue to publish the Insolvency Statistics in their current format.*

Question 23. Is there anything you would like added to the commentary of the quarterly release, or should it be shorter?

122. Five respondents replied to this question. Generally respondents did not require any additional information or anything removed from the commentary.

123. It was suggested that there should be some focus on industries, for example an indication of which industries had experienced the biggest change.

Government Response:

124. *Additional commentary has been included in the latest release of the Insolvency Statistics, published in November 2010, in particular focussing on longer trends.*

125. *We will look into the feasibility of including a section on industry analysis in the commentary accompanying the Insolvency Statistics. We will consider which procedures to focus on, as well as which industries. We will also look at how best to present this analysis and whether percentage changes are the best way and which periods should be compared. We will attempt to include this in the Q1 2011 stats, due to be published May 2011.*

126. *A note on the wider economic context of the Insolvency Statistics is to be published on the website alongside the quarterly statistics.*

127. *We will continue to review the content of the commentary and will update it as appropriate as part of a continuous review process.*

Question 24. Are the Notes to Editors in the quarterly statistics release at the right level of detail?

128. Four respondents replied to this question. Generally, respondents were happy with the Notes to Editors.

129. There was one request for the addition of a definitions section to possibly be included.

Government Response:

130. *The Notes to Editors will continue to be produced in their current form and will be updated as necessary.*

131. *We will produce a glossary section to be published alongside the statistics release, to cover the terms used within the Insolvency Statistics.*

Question 25. Should the regional statistics include commentary (as for that provided with the quarterly statistics)?

132. Three respondents replied to this question. There was a mixed response to this question. Two respondents said yes to the inclusion of some commentary with the regional statistics, whilst the other suggested it would be best to present the facts as we do currently and allow the user to draw their own conclusions, unless there were hidden drivers of the statistics that users need to be made aware of.

Government Response:

133. *If resource permits, we will include some commentary with the next edition of Individual Insolvencies by Region, although it will not be as extensive as that which accompanies the quarterly Insolvency Statistics.*
134. *The commentary may include aspects such as the areas with the highest and lowest rates of insolvencies, biggest and smallest percentage change year on year or percentage changes from 2000 (the beginning of available data) to the latest published year.*

Question 26. Do you have any further suggestions for improving the presentation of the data?

135. Two respondents replied to this question. There were no additional comments on the presentation of the data.

Chapter D: Government response to the questions on the format and dissemination

Question 27. Are the format and the way in which the statistics are disseminated satisfactory?

136. Six respondents replied to this question. The responses suggested that the format is generally acceptable but could be updated to make it clearer.
137. One respondent requested an option to download a data file with no blank lines (as there are currently to separate the years) so that it is easier to use for time series analysis.

Government Response:

138. *We will review the format of the data and compare it to other National Statistics outputs to determine whether there is a clearer way of presenting the data.*
139. *With regard to the spaces in the data sheets, whilst we will continue to present the quarterly release in this way, we will consider alternative ways in which to present the historic data series. When we review this we will try to take into account presentational issues, such as being able to easily distinguish between each years' figures, as well as practical issue such as being able to use the data for charts and time series analysis.*

Question 28. Are the Excel tables useful, or is there a better way of presenting the data?

140. Six respondents replied to this question. All respondents said the Excel tables were useful. One in particular said "Excel is the best as it allows us to perform additional calculations alongside the data tables".
141. No suggestions were made for an alternative format.

Government Response:

142. *We will continue to publish the Excel tables alongside any of our releases.*

Question 29. Are the PDF versions of the tables in the quarterly release superfluous alongside the Excel versions?

143. Eight respondents replied to this question. There was a mixed response, with some saying they liked the presence of the PDF tables and found them useful, and other agreeing that they are superfluous.
144. Overall, the majority preferred to have both versions of the tables available to them.

Government Response:

145. *We will continue to produce the tables as PDF as well as the Excel format, as is currently done.*

146. *However, in response to Question 15, regarding the formatting of some of the PDF documents, we intend to review this in order to present our data in the clearest and most accessible manner possible.*

Question 30. Is it useful to be able to download the tables in the quarterly release individually rather than all in the same file?

147. Six respondents replied to this question. Again there was a mixed response to this question, with respondents using a mixture of options dependent on their needs.

Government Response:

148. *We will continue to offer the tables as both separate files and collated into one single document, although, as mentioned above, the format of the separate files is under review.*

Question 31. Should the *Notes to Editors* be reproduced within the downloadable Excel/pdf tables?

149. Five respondents replied to this question. Three out of five of these respondents requested that the *Notes to Editors* are included within the downloadable tables.

Government Response:

150. *We will include the Notes to Editors in the downloadable tables from the next release of the Insolvency Statistics, due to be published in February 2011.*

Question 32. Are you able to locate the statistics you are looking for easily on our website?

151. Five respondents replied to this question. Most respondents said they statistics were easy to locate on the Insolvency Service website, although these were regular users of our statistics, who we would expect to be able to find them more easily.

152. One respondent stated *"The main menu page could be clearer as bits and pieces have been added on to it. It's not initially clear the depth of material that is now available and perhaps wouldn't be to a journalist visiting the site for the first time."* This is an opinion that has been echoed through our experiences when talking to users about the information available on the website.

153. There was also some concern over the statistics no longer being available from the Office for National Statistics website and the possible consequences of this on the impartiality of the statistics.

Government Response:

154. *We have redesigned the statistics section of the Insolvency Service website with a view to making navigation easier and making it clearer what information is available 'at a glance.' This was partially in response to this exercise and partially due to the number of documents the UK Statistics Authority requires us to publish. This was implemented in December 2010.*

155. *In response to the concerns over the impartiality of the statistics produced by the Insolvency Service, an integral requirement of all National Statistics is that they are produced without any political influences and are managed impartially and objectively. As the Insolvency Statistics have been assessed against this criteria and are considered to be National Statistics, there should be no concerns regarding the impartiality of these statistics.*

Question 33. Do you have any suggestions for improvements to the statistics pages of the Insolvency Service' website?

156. Four respondents replied to this question. Only one specific comment was made suggesting that the previous releases of the Insolvency Statistics should be presented as a grid, for example by year and quarter, to make it easier to find a specific publication.

Government Response:

157. *The list of historic releases will now be split into groups for each year. Although, this is not the grid that was requested, we hope this will make it easier for a user to find the release they are interested in.*

Future Steps

158. The responses above indicate where the Insolvency Service Statistics Team will be looking to make changes to the publication methodology, scope, structure and format.
159. Some changes, such as those improving the layout of data tables, will be relatively easy to include as part of the routine data production process. Other desirable changes would require a considerable amount of work to assess whether it is worthwhile carrying out the change and its impact. Given the current public spending cuts and resource constraints it may not be possible to complete all the work requested, unless other work, which stakeholders do not support, is dropped.
160. One of the purposes of the Stakeholder Meetings will be to help us decide the priority of any substantial new work, subject to resource constraints, in order to meet users' needs as effectively as possible.
161. The following paragraphs provide a summary of the government responses where changes and additions are being considered, grouped by publication, and a provisional time frame.

Insolvency Statistics

162. For next release – Friday 4 February 2011

- Review format of PDF tables
- Review the layout of the percentage change figures in the tables
- Include the *Notes to Editors* in the Excel version of the tables
- Amend the layout of the historic releases on the website

163. In 2011

- Publish the *Guide to the Insolvency Statistics*
- Include some commentary drawing on an industrial analysis
- Include a glossary of terms used in the *Insolvency Statistics*
- Review the format of the entire release
- Review the presentation of the historic data tables

164. Possible Future Work

- Publish an Individual Insolvency Rate table
- Publish statistics on bankruptcy restriction orders and undertakings
- Publish statistics on director disqualifications
- Update the industry analysis to SIC2007 and carry out a conversion from ITC to SIC for older industry tables, or publish some guidance on the differences

Individual Insolvencies by Region

165. For next release – July 2011

- Publish age and gender breakdowns for individual insolvencies
- Include percentage change figures
- Include some commentary with the publication

166. In 2011

- Publish an animated map of individual insolvency rates for 2000-2009 and update this following the publication of the 2010 statistics.

Individual Voluntary Arrangement Outcome Statistics

167. For next release

- Improve the usefulness of the statistics by including additional analysis on IVA failures, the total number of ongoing IVAs etc

General Improvements and Additions

168. Possible Future Work

- Publish statistics on members voluntary liquidations
- Review the revisions policy
- Investigate what additional statistics can be published on individual insolvencies

Annex A: List of individuals and organisations that responded

- Adrian Walters – Nottingham Trent University
- Alan Katz – Lancaster University
- Andrew Keay – Leeds University
- Bank of England
- Consumer Credit Counselling Service
- Department for Business, Innovation & Skills – Various Directorates and individuals
- Eleanor Maxwell – Marriott Harrison
- Everaldo McLennon – Ministry of Justice
- Geldards LLP
- Geoff Swire
- Her Majesty's Treasury
- Iain Ramsay – Kent University
- Insolvency Practitioners Council
- Insolvency Service – Various Directorates and individuals
- Jeremy Sutcliffe – National Australia Group Europe
- John Bright – PricewaterhouseCoopers
- Karen Moore – University West of England
- Martin Kelway – Begbies Traynor
- Michael Mumford – Lancaster University
- Money Advice Trust
- Nigel Furey – University of Bristol
- Pamplona Capital Management
- Patrick Redshaw – Barclays Bank
- Peter Tutton – Citizens Advice Bureau
- Philomena Bacon – University of East Anglia
- PricewaterhouseCoopers
- R3
- Ramona Meyricke – Cambridge University
- Roy Goode
- Sandra Frisby – Nottingham University

Annex B: Uses of Insolvency Service Official Statistics

As many of the users of our statistics are one-off enquirers or those who browse the website without our knowledge, it is not generally known exactly how, or for what purpose, the statistics are being used. As part of the Consultation on Insolvency Service Official Statistics, we asked respondents to provide details of how they use our statistics.

The following list is an overview of the broad areas where respondents have told us how they use the Insolvency Service Official Statistics, as well as some additional areas that are already well-known uses (in no particular order):-

- to monitor growth in the market
- as an economic benchmark
- as a teaching aid for lecturers and academics
- to aid discussion and debate
- for presentations and meeting aids
- to monitor and understand trends in rates and levels of insolvency
- to compare the uptake of the different types of insolvency procedures
- individual research
- as an economic indicator
- for comparison to other statistics, for example petition statistics from the Ministry of Justice or trends in defaults on loans
- for internal workload management
- for policy development, for example within impact assessments
- for policy evaluation
- to monitor stress in the corporate sector or within households
- used in publications, for example in the Financial Stability report by the Bank of England or Social Trends and the Financial Statistics compiled by the Office for National Statistics
- for business planning within the Insolvency Service
- they are regularly reported on by the national, local and specialist media
- used by the Insolvency Service Press Office to underpin releases
- used for briefing and other ministerial correspondence
- in answers to Parliamentary Questions and for Freedom of Information requests
- by other Government Departments and private sector bodies for use in modelling or forecasting