

April 2003

Strategic Direction 2003/06

The Future for Companies House

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A DTI SERVICE



Companies House
— for the record —



COMPANIES HOUSE

A DTI SERVICE

The DTI drives our ambition of 'prosperity for all' by working to create the best environment for business success in the UK. We help people and companies become more productive by promoting enterprise, innovation and creativity.

We champion UK business at home and abroad. We invest heavily in world-class science and technology. We protect the rights of working people and consumers. And we stand up for fair and open markets in the UK, Europe and the world.

Strategic Direction 2003/06
The Future for Companies House



Strategic Direction

Our vision is to excel as a registration authority and source of public information, for the benefit of the UK economy.

Companies House is an Executive Agency and Trading Fund of the Department of Trade and Industry. **Our business is the registration of company information so that it is available to all.** This involves the incorporation, re-registration and striking off of companies, and the registration of information required to be delivered under companies, insolvency and related legislation, and making this information available to the public.

Every one of us at Companies House will make a contribution towards achieving our vision, so that we will:

- offer electronic delivery for all our major services
- make information transparent and readily accessible to all
- get companies to file their information on time, and make sure we add the information accurately and promptly to the Register
- play an influential role across government and in Europe to benefit companies, business and the public
- have customers who are highly satisfied with our services
- advise, guide and support customers and directors
- have skilled and committed staff who enjoy working for Companies House

Values

Our values are key to helping us to achieve the vision. They are:

- We all try to do things better
- We all work as one team
- We are always helpful and give a first rate service to customers
- We build trust through the way we behave
- We develop ourselves and others to make a valued contribution



The Vision - for 2006 and beyond

What Companies House might look like

As a business, we have a clear set of priorities and the direction we are taking is well understood. We set out to do the greatest good for the greatest number of customers, helping as many people as possible to benefit from the companies' register. We have a strong reputation, commanding trust and respect, both inside and outside the organisation.

The Companies House Information Processing System (CHIPS) is nearing completion and we are developing flexible, modern IT systems that help us to deliver effective, reliable, quality services. A large number of our customers file electronically; for the rest, their documents are captured electronically as soon as they arrive in the building. We are not a paperless office, but the vast majority of our work is done through electronic workflow. We know where documents are because everything is indexed on receipt and tracked. There is automated routine checking and electronic reminders and responses for the majority of our customers. Our business processes offer a secure e-filing option to prevent abuse such as company hi-jacks, with feedback loops to companies or their presenters. We also undertake enhanced checks on the accuracy of our data input and we have teams of well-trained staff to do this work.

More of our customers will access electronic information free of charge through our web-based services. We have strong and resilient systems to meet demand. We make sure that businesses can reach our information and services easily and obviously through the channels developed by business.gov. Information is stored in a way that makes it easy to extract and search in any way the customer chooses. We are, in 2006, on the verge of launching e-filing of accounts, so opening up a whole new set of easily manipulated data. This is because we have developed good electronic links with other public sector organisations in the same sphere as ourselves (Inland Revenue, Customs & Excise, and the Insolvency Service). We are increasing the scope and flexibility of our database, so that by the end of the decade we may be able to collect and make available other types of information, for example on organisations which are not covered by Companies legislation, if this is consistent with government policy.

We do more to raise awareness of the legal obligations placed on companies and their directors, and set this in the context of the wider debate on corporate governance. We understand which companies have difficulty meeting their filing requirements and we use innovative ways to help them. We also focus on those companies who repeatedly fail to file on time and we have enhanced our enforcement role. As part of our more extensive policy role, we have strengthened and broadened our role across public services in the UK. We work in close partnership with other parts of the DTI, but continue to have our own distinct role and autonomy within the DTI family. We have also begun to extend our role in terms of UK company information in Europe and internationally with the introduction of the European Company (Societas Europaea).

We adhere to the fundamental financial principles of cost recovery, limitation of return on capital employed and constantly improving efficiency. Because of the way our processes have developed, our funding strategy enables customers to have free access to our electronic information. There is differential pricing for non-electronic registration of documents.

We are increasingly becoming a knowledge-based as well as a production-based organisation. Now that CHIPS is nearing completion we are expecting to employ fewer people, largely because more e-filing and simpler processing of documents is reducing the administrative burden. In some areas, however, we are employing more staff, for example, to work on strategy, quality, compliance and systems. Our workforce is also changing in other ways: it is more diverse; people have a healthier work life balance; there are more posts at senior levels; and, more generally, staff with a higher level of skills work to help customers understand and comply with the law.

We have excellent relationships with those who provide services to us under contract and we work in partnership with them to deliver a high standard of customer service. We have first rate IT teams to maintain and develop our systems, with usage demand and range of application higher than ever. People who have worked with us during the last few years of significant change have been able to develop new skills as a result and have found satisfying posts within Companies House. We value our staff, reward them well for their performance and invest in them, growing our own people and developing their potential. We also invest plenty of effort in communications and involving staff in developments across the office. As a result, people feel valued and are keen to work for us. Companies House is regarded as a first rate employer.



How will we get there?

Six strategic objectives for Companies House

With the help of our Steering Board, and senior managers, we have undertaken a number of strategic planning exercises to identify our vision for the next three years. This was then distilled into six strategic objectives which will underline each year's business plan, and provide a basis for targets, priorities, and expenditure. Some of the key actions to meet the objectives are identified with timelines in Annex 1.

Objective 1: A fully electronic operation

The aim is to deliver the maximum benefit to customers from electronic services. Our programme of work to deliver 100% of information electronically onto the company register was largely completed at the end of 2002 when we were able to cease the updating of microfiche. However there will be continued change and improvement to our electronic information services in terms of presentation, packaging and access methods.

We want to expand the take-up of electronic filing, so we must ensure that our services are robust and resilient. For the future we want to develop a framework beyond the current system architecture to allow for wider e-service delivery.

E-registration

Much of our emphasis will now switch to developing and encouraging the take-up of electronic registration services. The Office of the e-Envoy has identified 31 core government services for e-enablement. Of these, two are the responsibility of Companies House, namely company registration and the electronic filing of accounts.

We have a strong foundation already in place with customers able to incorporate a company electronically and to update their company registered office, directors' details and to register company appointments over our website. The provision of an electronic annual return in 2003 will provide companies with the opportunity to update and return their company, director and shareholder details on-line, together with the necessary fee. This work will complete the major services required for electronic company registration.

Electronic filing of accounts is an important component of our plans and will be a significant addition to our on-line filing capability as well as offering the potential for customers to access financial information in data format, rather than via documents as at present. For technical reasons we do not anticipate implementing this before the CHIPS programme has been completed. However we will be engaging across government (in particular with the Inland Revenue and HM Customs & Excise) and with the accounting software industry in the development of the necessary standards to ensure that the data is submitted in a structured format that is both understandable and exchangeable between computer systems. This format is known as XBRL (eXtensible Business Reporting Language).

Finally we will investigate the potential to develop an on-line service for the registration

of mortgages and charges. However as both company and land registration law is changing over the life of this plan we need to make a careful assessment of when it would be appropriate to invest in the delivery of this new service.

Objective 2: Readily and freely accessible information

Pricing

The heart of our strategy is to make our electronic information available more cheaply, preferably with no charge at all. However there are a number of factors to overcome and we need to evaluate the problems and possibilities. So we will begin by undertaking a cross-cutting review of pricing policy which will also explore the scope for free electronic information, and dual level pricing for electronic and paper registration. The review will be wide ranging, and will report not only on the current system but also on the impact of our future strategy, and will inform our approach to pricing over the next three years and beyond.

Accessibility

We will contribute to cross government work on increasing accessibility and reducing the burden for business in their transactions with government, and ensuring that developments in Europe and internationally are compatible with UK business needs.

It will be important to maintain and develop our IT infrastructure to provide high levels of

availability and capacity to match growing demand. If delivery of free information over the Internet proves possible, it will bring additional challenges that will need planning for and close monitoring during implementation.

Finally, the completion of CHIPS will allow us to provide customers with access to information in new and innovative ways by providing greater flexibility of access to the data warehouse.

Objective 3 : An efficient, reliable and up-to-date registry

The achievement of this objective will depend greatly on the successful implementation of CHIPS. This is a major programme of work to replace Companies House core IT systems with a truly modern, efficient and high quality service for input, registration and processing. It will also allow us to develop new ways to improve the quality of the information on the Register. The reliability of the Register also depends on the timeliness of filing of company information and compliance is an area we must focus on to ensure that companies know about and fulfil their obligations.

CHIPS

Our existing IT systems are over 16 years old. They use technology and application software which will not continue to be maintained by suppliers. It is therefore, essential to review the technology and to upgrade our systems to

meet the demands of the future and our new CHIPS system will provide us with the facility to do this. It will ensure that we can cope quickly and efficiently with changes in policy or operational requirements. It will also allow us to adapt to receive and capture all data electronically. We also understand that not all companies will move to electronic communications quickly - so the new system will enable Companies House to capture electronic images at the start of processing, rather than the end as now.

Quality

This improvement in our IT systems will enable us to scale up our quality standards significantly. Our aim will be to ensure that all information sent to us fully meets the requirements of the Companies Act and, as far as possible, to ensure that information is sent to us on time. Our electronic filing systems will provide automated quality checking procedures to ensure this. Where information does not fulfil quality requirements, the information will be referred to a member of staff for consideration and possible return to the company. Our staff will provide quality advice and guidance to companies to ensure that we obtain the information required for the public record. This mainly automated approach will ensure consistently high standards. We will build similar automated checking facilities into our new CHIPS system.

Compliance

The vast majority of companies file accurate information with us on time. However a significant minority file information with us late, and a small percentage of companies persistently default in their filing requirements. Our aim is to understand why companies file late and try to focus our reminder system to help them meet their obligations more readily. With our new CHIPS system, we will be able to analyse information about filing problems in order to help us achieve this. The new system will also allow us to identify persistent defaulters. We will focus on these companies and take appropriate action to ensure that they meet the requirements of the Companies Act.

Cost efficiencies

At this stage it is difficult to be precise but we are looking at the gains we expect to achieve in the move to greater electronic filing and processing by the end of the strategic period. There may be gains in space, because of the need to store less paper; there may be greater efficiencies in work processing because the systems are more automated. This in turn may allow greater flexibility of working, including home working.

Risk

An understanding of risk is fundamental to achieving our objectives over the next three years. On the one hand we will be managing

the risks inherent in the delivery of a large scale project such as CHIPS, and on the other we will accept the risk and have systems in place to deal with factors which perennially face a large organisation (disaster recovery for example). The next three years will see a greater awareness and knowledge of risk within the whole organisation.

**Objective 4:
Customers who are
highly satisfied with
our services**

This cuts across all our functions: we want customers to be happy with our levels of service both in terms of registering and accessing company information and we have sophisticated ways to assess this. As a provider, we also want to ensure that customers find our information understandable and helpful and we will be looking at ways to improve the range of services we offer.

Excellence in customer service must remain a number one priority, and training must be focussed on updating the knowledge and skills of our contact centre and front line staff.

At the heart of this objective is knowing who our customers are and what they want from us. We will find out the level of awareness of Companies House as a source of information, and then develop a strategy (supported by a strategic target) to increase awareness and usage of our services.

Objective 5: Act with others in government to benefit companies and business

Much is happening across the world to bring about changes to the way companies and businesses work. We cannot be isolated from the effects of corporate issues such as Enron, accountancy standards, and the role of non-executive directors. To help us, we must develop the ability to horizon scan, engage in debate, assimilate, and adapt to developments which will affect companies across the UK and Europe.

We will be positive in developing our future role with others, a measure of which will be the successful implementation of the Office of the e-Envoy on electronic filing of accounts and registration together with the use of the government gateway for common registration and authentication for e-services. Our participation in "business.gov" (a DTI sponsored programme to deliver integrated government information to business via the web) will allow us to deliver information content and ultimately new, joined-up electronic services to a wide range of businesses in partnership with the Small Business Service and other key government departments.

Working with the DTI

Companies House is an Executive Agency of the DTI. Our work feeds directly into the DTI aim to provide prosperity for all, and we align closely with one of its prime strategic objectives to promote an effective framework for corporate activity giving confidence to

investors, business and other stakeholders. Our work is increasingly bringing us into better contact with policy makers across the Department and we will continue to invest time and resources into working with colleagues on initiatives such as Community Interest Companies and new Companies legislation. We will also play a strong role in supporting the core services arm of the DTI to provide a focussed, efficient and customer facing department.

Legislative changes

This is a growing area of our work. The major change during the next three years is the major reform of Companies legislation. This will bring a radical overhaul of Company Law, to simplify the burdens on business and also take account of concerns underlying good business practice. Companies House role is to ensure that our strategic aims are supported in the legislation, and that our systems are able to translate the changes into procedures which will work and will help our customers.

Introducing the European Company and implementing a directive requirement on electronic filing will form part of our business planning over the next three years. We also need to be able to respond to fast moving events emerging from government policies. In summary, this will be a very active time for us and we will need to resource carefully in people and skills to ensure that we play our full part.

Objective 6: Skilled and committed staff who enjoy working for Companies House

We believe the future will require more flexibility in people's skills and working patterns and we will adapt working practices to meet evolving business needs. We will continue to develop clear competency frameworks for all jobs so that we recruit, motivate and retain the very best employees. We will have measurable performance management standards and so, in turn, ensure the best possible service to all our customers both internal and external. We will continue to develop the competencies of our people to achieve a wide and creative mix of skills, experiences, backgrounds and ideas. We will continue to invest heavily in developing our managers and strengthening the skills of our most senior staff to meet our business and strategic needs. We will review the extent to which we use consultants and private sector partners, using them where we need specialist skills, but aiming to learn from them and so to develop our own people.

HR Strategy

At the heart of this will be a clear plan for the recruitment, retention, motivation, and development of staff to ensure we have the most competent people in place. This will be linked to a pay and reward system that recognises and rewards people and results in flexibility, increased levels of competence and the willingness to embrace change.



Targets

As expected of an Executive Agency we will continue to have public targets that we will report against each year. These can be found in the relevant business plan. As important from a strategic viewpoint are the targets that we want to develop over the next three years to tie in with our six strategic objectives. They also reflect the role we think we can play in helping businesses move to greater electronic take-up of services. They are stretching and not without risk but they represent a shift from measuring only our main processes.

In our first year we will be concentrating on setting the baseline and mechanisms for measurement. Some we may be able to measure and report against from the onset of the plan. Others will be evaluated when the baseline is clear so that we can determine an appropriate level of achievement and begin to start reporting against this in the second and subsequent years. Once we are satisfied that the target is practical, one that customers value, and meets our strategic objectives, we can introduce it as a public target.

In terms of a fully electronic operation the shadow targets revolve around offering 100% electronic delivery for all our major services, and encouraging greater take-up of e-filing by setting a percentage figure for documents being filed with us electronically. For readily accessible information there is an availability target for all e-services.

To help us achieve an efficient registry we are looking at some baseline reductions in relation to cost per company, or staff per company, or to manage a cost per company record. A measure of completeness of the company record within a set period of filing deadlines is one way we think we can underpin our aim to have an up to date Register.

Achieving better customer awareness and greater use of our information is being underpinned by a target to increase this from a baseline to be determined in the first year.

Finally we want to explore ways of improving the skills, and motivation of our staff, and we are looking to measure this in a number of ways. An obvious outcome would be to improve on staff satisfaction in the biennial staff survey. Another possibility is to encourage more staff to be qualified to as standard that is relevant to Companies House. Other factors such as staff turnover, and staff moves are being considered.

Annex 1 Key Actions to Deliver the Strategic Objectives

Key Actions	2003	2004	2005	2006
1. A fully electronic operation:				
Introduce e-shuttle for e-filing of all annual return related documents	■			
Implement e-filing of accounts (Office of e-Envoy target) dependent on emerging financial standards using XBRL (eXtensible Business Reporting Language) and completion of CHIPS				■
Implement electronic mortgage registration (2006 onward - to some extent dependent on new land registration legislation)				■
Define and promote the e-filing services product through a marketing and communications campaign. Evaluate effectiveness of the programme	■	■		
Work towards achieving compliance of the EU First Directive amendment on electronic filing of accounts and other key documents			■	■
Work on ways to introduce electronic records management in a form that meets the needs of Companies House by the Government target date of the end of 2004	■	■		
Adapt and enhance the finance and management information systems to keep pace with electronic revenue collection methods and management requirements	■	■	■	
Develop skilled and innovative IT staff to provide and support electronic services which will keep pace with demand and technology in the rest of the business world	■	■	■	■
Develop strategic CH targets for e-services by 2006	■	■		
Develop a computer literate workforce with the skills to respond to customer demands and queries.	■	■	■	■

Key Actions	2003	2004	2005	2006
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2. Readily and freely accessible information:

Provide a high capacity, resilient IT infrastructure capable of meeting unlimited demand for free information whilst meeting public performance targets	■	■	■	■
Complete a full scale pricing review on current pricing structures and the potential to provide free electronic information	■			
Implement the outcomes of the pricing review		■		
Maintain a responsible and knowledgeable contact centre whose services are integrated with our Web Service	■	■	■	■
Consider access mechanisms outside the office such as in business links, PIN libraries, innovation centres		■	■	
Examine the requirements of minority groups who may wish to access our services and ensure they are provided for		■	■	
Work towards ensuring that European company information can be filed in the relevant community language and is also accessible by 2007	■	■	■	■
Re-design our website to ensure it meets the needs of customers and is at the forefront of design for ease of use and accessibility.	■	■		

Key Actions	2003	2004	2005	2006
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3. A cost efficient, reliable and up-to-date registry:

CHIPs: Indexing of accounts on arrival will begin	■			
CHIPs: Go live for output systems, mortgage and liquidation and compliance pursuit		■		
CHIPs: Go live for Document Examination Branch and new companies, post room, scanning and workflow			■	
CHIPs programme completed				■
Provide validation, matching and checking functions to ensure high quality of data input internally and this functionality to be extended to electronic input functions (via CHIPS)		■	■	■
Maintain or improve current quality targets via the use of indexing /workflow	■	■	■	
Review productivity and quality measures for Companies House, directorates, teams and individuals	■	■	■	
Build in quality to processes to achieve a right first time approach	■	■		
Develop a more proactive compliance regime which responds based on analysis of default patterns. Follow up and take prosecution action against persistent defaulters	■	■	■	■
Focus on the education of directors through seminars and workshops, and improve guidance for company directors and secretaries. Underpin this with paid printed media and direct mail to encourage companies to file accounts on time	■	■	■	■
Work on cost awareness, value analysis of processes; develop new efficiency measures; improve our project costing and control systems to support the ongoing project activity.	■	■	■	

Key Actions	2003	2004	2005	2006
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4. Satisfied customers who want to use our products:

Further develop staff understanding of customer service to deliver excellent and expert customer service to all those who want to use our services	■	■	■	■
Ensure we are staffed to be able to satisfy our customers whatever their background but particularly those who belong to ethnic minority groups	■	■	■	
Further develop a proactive customer complaints handling process, where the whole organisation learns and improves from regular analysis of complaints	■	■	■	
Measure current awareness of CH as a provider of information: establish a benchmark and devise a programme to improve awareness levels and to monitor them	■	■	■	■
Improve the way we measure and integrate feedback on customer satisfaction; undertake a mystery shopping exercise every eighteen months	■		■	
Research current customer requirements by product and/or grouping to benchmark and ascertain what benefits customers are looking for	■	■		
Re-examine our current customer segmentation in the light of our Vision and Strategy (2003). Research the requirements of our CHD database	■	■		
Devise an integrated customer relationship management strategy		■		
Continue to modernise the customer accounting relationship; eg providing customer account enquiries via the internet.	■	■		

Key Actions	2003	2004	2005	2006
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5. Act with others in government to benefit companies and business

Develop a greater level of strategic capability within the organisation to horizon scan and set CH policies within the context of outside events



Increase the level of understanding within CH of other government bodies and organisations which can benefit companies and business



Develop protocols for co-operation, benchmarking and information sharing to promote closer links and better understanding of other bodies, registries and organisations



Work with other government departments to achieve a joined-up approach to new electronic services, eg business.gov, electronic filing of accounts, land and mortgage registration changes



Work to ensure that the reform of companies legislation and Companies House strategy are compatible and meet the needs of business



Communicate developments on new companies legislation through a simple integrated approach to staff and customers



Ensure that the European Company Statute is implemented by October 2004



Introduce services using the Government Gateway in order to offer a common registration and authentication facility to businesses and individuals



Be able to respond positively and practically to policy developments that involve companies and Companies House processes



Further our links with the Small Business Service to provide information and services to companies



Continue our involvement with business.gov to provide relevant content and links to the new business information website.



Key Actions	2003	2004	2005	2006
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6. Skilled and committed staff who enjoy working for Companies House:

Use the new pay and reward system to ensure it properly recognises, motivates and rewards our people so that it results in flexibility, increased levels of competence and a willingness to embrace change	■	■	■	■
Develop a performance management culture which empowers rather than de-motivates, and where an effective work life balance enhances our performance as an organisation	■	■	■	■
Develop organisation and team structures which enable the delivery of objectives and which eliminate any opportunity for a 'silo' mentality in the way we operate	■	■	■	■
Develop an HR resourcing strategy to ensure that the most competent people are in place; to provide for career counselling, mentoring, coaching and development to meet future needs	■	■	■	■
Develop a culture where all staff derive satisfaction from their work and one where there is openness and trust across the organisation, and diversity is encouraged and promoted.	■	■	■	■
Empower all employees by delegating decision making to the most appropriate level in the organisation, ensuring the involvement and participation of all in the success of Companies House	■	■	■	■
Develop partnership arrangements with the Trade Union side so that all can benefit and so that we can fully exploit the potential for making Companies House the 'Employer of Choice' and a place where skilled and committed staff genuinely relish working productively and successfully	■	■	■	■

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Key Actions	2003	2004	2005	2006
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6. Skilled and committed staff who enjoy working for Companies House:

Ensure the skill set of staff keeps pace with the new systems and customer requirements	■	■	■	■
Develop managers to have excellent skills in coaching, developing, leading and who are capable of handling poor performers with the aim of gaining good performance but who are confident to take inefficiency/disciplinary action	■	■	■	■
Bring in and develop existing talent in our organisation.	■	■	■	■
Encompass all these aims in an HR Strategy for Companies House.	■			



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