



INSOLVENCY & RESTRUCTURING

MARKET INSIGHTS Q3 2017

ambition

Market conditions in the insolvency profession have remained largely unchanged for the past few years with continual low levels of corporate and personal appointments each quarter. It is therefore fair to assume that the number of new insolvencies in Q2 is unlikely to have altered much since the first three months of the year with the major change seen mostly in the legislation itself.

Alterations to the way IPs interact with creditors, the abolition of statutory forms and the automatic appointment of Official Receiver as first trustee upon bankruptcy declaration are the headline changes. The restructuring of the 1986 rules marks a significant moment in the insolvency profession and with it comes a great deal of time and energy to implement the change in a systematic and practical fashion.

SKILLS IN DEMAND

A number of our clients have looked to bring in a full-time in-house technical & compliance insolvency professional as opposed to referring all their regulatory work out to one of the main independent compliance consultancies servicing the profession. As such, JIEB qualified Managers and Senior Managers/Associates may have noticed more compliance led roles in Q2 that matched with their skill sets.

Aside from compliance roles, the Big 4, along with the larger restructuring practices, have continued to focus more on advisory and turnaround work than traditional insolvency appointments which has resulted in a fair few redundancies affecting those sitting in the statutory case progression teams at these firms in London across Q1 & Q2.

The need for good corporate Administrators and Senior Administrators with 2-3 years' experience remains high and the challenge for many insolvency practitioners in recruiting at this grade is that the pool of active candidates seeking a move has shrunk. Many are tied into training contracts for the CPI or ACA/ACCA while others have left the profession to seek alternative career paths with less general market movement, slower salary rises and clear uncertainty as to the future of the profession whilst economic conditions remain largely uncertain.

Temporary and contract requirements seem to have picked up a bit since the back end of last year as many IPs are running very lean teams that often require interim support when there is a sudden spike in new case work.

MARKET NEWS

Alvarez & Marsal made many new hires in Q2 following Richard Fleming's move from KPMG as they start to build out their restructuring offering.

CVR Global continued with their domestic and international growth this year by merging with Ian Defty and James Dowers at DDJ in London and to educate staff on the new rules.

PREDICTIONS FOR THE COMING QUARTER

Recruiting fresh graduates and school leavers remains a common route for most Insolvency Practices when bringing in staff to process case work but there still needs to be more of a focus on incentivising graduates to consider the insolvency profession as a credible and realistic career over say sitting the LPC. With less juniors entering the profession, it will become harder and harder to recruit at the more experienced Administrator levels later on down the line.

Making predictions in the insolvency sector is a very difficult thing to do but we'd be very surprised to see much change between now and the end of Q3.

INSOLVENCY SALARIES (LONDON) Q3 2017 MID-TIER/SME FIRMS

Job title	Annual salary range (£)
Director*	85K - 115K
Senior Manager**	65K - 85K
Manager (JIEB qualified)***	55K - 65K
Manager (No JIEB)****	50K - 58K
Assistant Manager	40K - 50K
Senior Administrator (ACA/ACCA)	40K - 46K
Senior Administrator (CPI or QBE)	34K - 40K
Administrator (CPI)	28K - 34K
Administrator (No qualifications)	24K - 30K
Junior Administrator	20K - 24K
Senior Cashier	30K - 36K
Cashier	24K - 30K

Notes on salary table:

* Advisable to be able to pay an additional 5-10% on top of this band for an exceptional Director who has the capabilities to generate fees.

** JIEB & ACA/ACCA with at least 2-4 years as a Manager should be earning a salary from £70,000. Lower end of the pay grade will be for those newly promoted to the grade or those with vast levels of experience but no professional qualifications.

*** ACA/ACCA in addition to the JIEB with at least 2-3 years in Management will be £60K-£65K.

**** Top end would be for very good operators with strong management skills. Titles and levels vary from organisation to organisation.

1. The salary ranges given are only approximate guides. For tailored salary advice, please contact us directly.
2. Roles outside of London are likely to be £5K - £10K lower than the salaries indicated above.
3. 12-month base salaries are assumed.
4. All other benefits and bonuses are in addition to these figures.
5. Bonus ranges can vary significantly from company to company and will be influenced by market conditions, business and individual performances.