



INSOLVENCY & RESTRUCTURING

MARKET INSIGHTS Q4 2017

ambition

Although the new legislative rule changes to the Insolvency Act commenced in April this year, a lot of the process implementation and general education on these changes has taken place throughout Q3. Those with case file inspections will have spent a large bulk of time getting documentation together and the same can be said for those scheduled before year end.

The Q2 insolvency statistics were interesting in that the numbers were significantly inflated following the one-off liquidation of 1,131 personal service companies. It was only once these numbers were stripped away that you saw corporate insolvency levels at their lowest quarterly level since comparable records began. Although Q3 figures won't be released until late October, the feeling around the market place is that there were more corporates appointments taking place.

SKILLS IN DEMAND

Looking at the Big 4 and the upper end of the mid-market, the need for advisory and restructuring skills in London has become even more prevalent. With PWC stepping away from more formal insolvency work in London and Deloitte equally making changes to their main UK office, the need for accountants with the ability to get involved in operational restructuring and turnaround projects is a must.

Much like Q2, the need for good corporate case Administrators with 2-3 years' experience remains high as many firms are running very lean teams and there seems to have been a sustained period of new cases coming through the door across Q3. Equally, there will be some who will view it more as a spike than a constant so interim staffing requirements may be the preferred route.

MARKET NEWS

Quantuma bolstered up their personal insolvency offering with the appointment of Mark Sands from RSM in their Brighton office but will look to also cover Southampton and London markets. Mark had been with the RSM group since 2009 and is considered one of the UK's leading personal insolvency practitioners.

Despite it only having been six months since Alvarez & Marsal poached four of KPMG's most prominent insolvency and restructuring business leaders in Mark Firmin, Richard Fleming, Roger Bayly and Chris Johnston; the firm has continued to make significant hires throughout this time with two new Restructuring Directors joining in Q3 from PWC in Tom Rayfield and Mark Smith, recruitment is likely to continue into Q4.

Kingston Smith's commitment to remaining competitive in the creditor services arena was clear to see this quarter as they welcomed on board Dale Heron (formally of Begbies Traynor) as their new Head of Creditor Services in London.

The closure of PWC's Insolvency Management Team in London signalled the accountancy firm's intent to move insolvency statutory case work up into the more northern regions of the UK; namely PWC's Leeds office.

PREDICTIONS FOR THE COMING QUARTER

If the mid-end of Q3 is anything to go by then there is likely to be even more movement in the jobs market as firm's look to bolster up their teams following what seems to be a fair pickup in the level of new insolvency appointments.

Good Insolvency Administrators and Senior Administrators will likely remain the most in demand candidates in the current market although. The challenge in recruiting at this grade will continue with a significantly reduced pool of talent between £25,000 - £40,000 and the fact that many will be tied into CPI & accountancy training contracts.

Although there are many economic factors influencing the state of the current insolvency and recovery market, a slight rise to the base rate may have a fairly big impact on insolvency levels in the UK. If Mark Carney's most recent comments are therefore to be believed; that the bank is starting to feel more comfortable in raising the cost of borrowing, should economic conditions continue to show signs of improvement, then latter Q4 going into Q1 of next year could be a busy period for IPs across the UK.

INSOLVENCY SALARIES (LONDON) Q4 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.