CONFERENCE EDITION
2024

Swift

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MESSAGE FROM THE CEO

A warm welcome to the 2024 Autumn edition of Swift, which includes summaries of the sessions at last month's annual National Conference.

We held our annual Awards Dinner earlier this month, in the new surroundings of the Pan-Pacific Hotel London. It was a fantastic evening with outstanding awards winners, and as ever, wonderful to catch up with colleagues in the sector. You can see the list of winners on p19 and you will be able to read all about the winning submissions in the next edition of Swift. Our independent members were uncharacteristically reticent this year, not putting themselves forward for the Independent of the Year award, though featuring prominently in a number of other awards winners. We are instigating a new process for the Independent award for next year, where firms and organisations will be able to nominate independents they have worked with.

We will also in the coming weeks be publishing our fifth annual Societal Impact Report. The survey of our members and partners this year demonstrates clearly the value and contribution of turnaround to UK businesses and the economy, with the highest number of estimated jobs and shareholder value preserved to date. The report also includes deeper dives into particular sectors and issues including construction, funding, consumer businesses, and of course, Part 26A Restructuring Plans.

Prior to this we will publish a report giving an overview of the business funding landscape, which follows a round-up on funding trends published over the summer in partnership with Macfarlanes.

We also published over the summer the findings and recommendations from our series of roundtables on Restructuring Plans and related survey earlier in the year. We are continuing our engagement and work on Restructuring Plans and you will be able to read more about this and other upcoming work in the next edition of Swift.

This edition of Swift features details of the excellent panel discussions and presentations at our 2024 National Conference, It was our biggest conference ever in terms of attendees and we were delighted to welcome a number of independent members. corporate partner colleagues and stakeholders. As well as regular sessions covering economic and market overviews, included a fascinating air ambulance case study and panel sessions on topics ranging from sports clubs, retail and the consumer duty.

Elsewhere, this autumn has been incredibly busy for The IFT, both in terms of events and other projects. Our most recent Women in Turnaround event, hosted by Teneo, heard from Abi Thomas, Senior Managing Director at Teneo and former broadcast journalist. It was a fascinating talk, giving insight both into her experiences in newsrooms including at Reuters, ITV News and ITN and valuable learning points for attendees on effective communication and showcasing leadership.

We have also - in recognition of particular sector characteristics and pressures - stepped up our Special Interest Group activity this autumn. In particular, we have re-started the Education SIG, now focused on two distinct areas: independent schools and higher education. We also continue work in our NHS/healthcare and law firm groups, and are also preparing to restart our large and complex SIG early next year, recognising changing stakeholders and increasing complexity in this section of the market.

Our regional and Next networks have been as active as ever, with the Midlands enjoying a recent autumn social, West and Wales' quiz evening, and Next events including lunches, electric shuffle and padel and pizza get togethers. Endless generously hosted our first Rising Star dinner in September. This provided a great additional opportunity to connect with their peers, the exceptional developing talent within the turnaround marketplace.

As ever, September saw the annual IFT AGM. It was the last AGM chaired by Andy Leeser, who stepped down as Chair and as a Board Director. Andy has provided great support for The IFT's development and innovations in recent years and we are grateful for his leadership. Claire Burden of Evelyn Partners took up her position as Chair at the AGM. Claire brings a wealth of experience both as an independent turnaround director and as an adviser and we are looking forward to working with her as we continue to develop The IFT's priorities, including on corporate governance. We also welcomed independent member and turnaround director Kelly Jones to the board, following her election at the AGM. Kelly has been an active and supportive independent member of The IFT, including with the Women in Turnaround network and the IFT Academy, and we're thrilled to have her on board.

Kind Regards,

Milly Camley
IFT CEO

2024 NATIONAL CONFERENCE OVERVIEW

This year our national conference had a new - if adjacent - venue at 20 Cavendish Square. We were very pleased to welcome our largest ever cohort of guests and speakers across members, partners and stakeholders from across the turnaround industry.

As ever, the agenda saw a varied and engaging range of panel discussions, insightful speakers and case studies. In between and following all the excellent conference content, we also enjoyed numerous opportunities to network and catch up with colleagues across the turnaround sector.

The conference was opened by Lord Gavin Barwell, who gave a first rate overview of the macroeconomic and geopolitical context. This was followed by our market overview and retail sector panels which gave comprehensive insights into some of the key trends and challenges in these areas.

We then had two very different but equally fascinating sessions. We heard from the advisers, lawyers and charity and regulator representatives who had been involved in the turnaround of the air ambulance and police service helicopter provider Special Aviation Services Ltd. This was a complex and unusual turnaround and, as it turned out, a 2024 IFT award winner, and provided a brilliant case study of cooperation and coordination between multiple stakeholders to deliver a life-saving result under pressure. This was followed by a panel looking at the pressures facing sports clubs, looking at some overarching challenges following the Covid-19 pandemic including government debt, to specific challenges for particular sports, such as rugby.

Our afternoon sessions were kicked off by Melissa Bruno, Partner at BDO, who gave a really interesting presentation on How to be a Leader when going through a Restructure and some of the key characteristics of the most effective leaders. She was followed by our afternoon panel sessions which saw experts including the regulator discussing the Consumer Duty in financial services, and the outlook for the real estate sector. Thanks to our continued sponsor, FTI Consulting.

2024 NATIONAL CONFERENCE: ECONOMIC OUTLOOK

We were privileged to start the conference by hearing from Lord Gavin Barwell, who presented on the macroeconomic and political outlook. It provided a masterclass overview of the political and economic themes that businesses need to be considering in the coming period.

Lord Barwell covered the return of inflation back to nearly target levels in a number of the world's largest economies and the subsequent reduction in interest rates, and then looked at the future outlook for UK growth. This included some of the challenges facing the UK economy, including high levels of economic inactivity meaning a tight labour market.

The briefing addressed the current and expected policies of the new Labour government, such as planning reforms, industrial strategy and a focus on the green transition and employment law reforms. Lord Barwell noted that the upcoming Autumn budget on 30th October is likely to be a key moment in this current Parliament with difficult options facing the Chancellor.

He also touched on the broader political and economic outlook including the election of the next leader of the Conservative party, possible trajectories for the UK's relationship with the European Union and the potential impacts of the upcoming US election.

2024 NATIONAL CONFERENCE: MARKET OVERVIEW

The Market Overview Panel was chaired by Tom Callaghan of Endless LLP together with Andrea Trozzi (Alix Partners), Victoria Kerton (NatWest) and Alex Hutton-Mills (Cardano).

The panel enjoyed a lively debate and focussed on current trends in the restructuring and insolvency market, noting that administrations are up 22% YoY and CVAs up 25% YoY. The key drivers of this were discussed, and it was felt that both interest rates and geopolitical disruption were the most prominent influences. The former is resulting in the sustained cost of borrowing becoming too much for businesses and the latter is creating real disruption from a supply chain efficiency perspective and also impacting cost, when there is little margin for price inflation to end customers at present, particularly in consumer facing end markets like retail, leisure and casual dining. It was also noted by a number of panellists that companies in distress are seeking help far too late, possibly driven by Covid changing behaviours, meaning businesses become too comfortable thinking there will always be further government or lender support if needed, which in reality, can no longer be the case.

The key sectors currently most impacted by distress are real estate, retail and leisure. At the same time, the real estate market is challenged by the spike in interest rates to 5% and a fall in retail/office occupancy following Covid.

The retail and leisure market's challenges have been well documented, with retail sales volume still below 2019 levels, but being held up by retail sales values up c. 20% on 2019 levels (inflation driven). The panel commented that consumer sentiment had been suppressed for a long period now and that the impending budget needed to focus on materially improving this.

The panel concluded on the outlook for the market, with impending elections in the US and other countries weighing heavy on the debate. At home, there is little wiggle room for the Labour government, with national debt at almost 100% of GDP, a level not seen in many people's lifetime, meaning there will need to be trade-offs in the October budget. The sentiment was, though, that levels of restructuring activity would not see a marked shift in either direction in the coming months and it would take time for any economic decisions to filter through.

2024 NATIONAL CONFERENCE: RETAIL OUTLOOK

"Challenging yet resilient" - this was the key takeaway from the retail panel who shared insights from the perspective of adviser, lender and investor.

The Retail sector panel comprised Lizzy Wood of Hill Dickinson, Kien Tan of PwC, David Maddison of HSBC and Paul Denvers of Enact Fund.

Whilst the sector continues to be a key market, with the IFT's latest company data compiled by FRP in August 2024 revealing retail remains in the top three sectors in terms of levels of business distress, the panel were largely optimistic. Setting the scene for 2024 so far consumer sentiment is now well above the long-run average, inflation has fallen to the Bank of England's two percent target and wages are now growing faster than inflation – indicators that all point to a more favourable end to the year for retailers.

PwC's chain store openings and closures research, linked below, was referenced which showed it was mostly pubs, chemists and banks closing in the first part of 2024 as opposed to traditional retailers and the sentiment was that those well-known high street names that have hit the press this year via administration appointments were not unexpected. This optimism was tempered by a discussion around the external factors and early warning signals leading to opportunities for engagement with the turnaround industry.

In short, this Christmas should be better for retail and leisure than last year, but trading will be volatile with winners and losers.

https://www.pwc.co.uk/industries/retail-consumer/insights/store-openings-and-closures.html

2024 NATIONAL CONFERENCE: SPECIALIST AVIATION SERVICES LTD CASE STUDY

This was a fascinating case study of a life-saving turnaround.

Andrew Sheridan and Jonathan Dunn from FRP, Nigel Boobier of Osborne Clare, Steven Cottee from Pinsent Masons, David Kendrick of the UK Civil Aviation Authority, and Julie Plowden of Devon & Somerset Air Ambulance Charity talked through the experience of the turnaround of Special Aviation Services Ltd from a number of different perspectives.

The case study was the well-deserved winner of The IFT's Community Impact Turnaround of the Year at this year's Awards Dinner, so you will be able to read a full outline of the case study in the next edition of Swift, which is a special Awards edition.

2024 NATIONAL CONFERENCE: SURVIVAL OF SPORTS CLUBS

Panel experts: Jonathan Ingram of UKGI, Oliver Colling of Kingsgate and Patrick Bareham of Sport England, chaired and summarised by Charlotte Møller of Squire Patton Boggs.

Sports clubs struggling both on the pitch and in the board room are nothing new and inevitably make headlines. Covid exacerbated the financial difficulties of many clubs, from the grassroots to the household names. The revenue stream from spectators attending games was turned off overnight, with no assurance as to things might return to normal again. Given the community impact of sports clubs, the government in England quickly mobilised the Sports Survival Package (SSP). This was delivered to professional sports clubs on behalf of the Department of Culture, Media and Sport and continues to be managed by Sport England. HMG is now a significant long-term investor in sectors including Premier League Rugby and National League football. In Scotland, similar funding was delivered via a combination of grants and long-term loans as a response to the Covid situation.

Restructuring sports clubs inevitably gives rise to some unique challenges. The stakeholders tend to be diverse, ranging from (1) the individuals: the diehard fans, players and athletes, club management and, their owners (2) the relevant sporting bodies and leagues, with increased regulation also on the horizon, (3) investors (often international and both as shareholders and lenders), (4) government (potentially as an investor, but also with pursuing policy objectives); and, finally, (5) the broadcasters. From an investor perspective, the route to monetising the investment can require a long-term view and, at certain levels of sport, may not be clear at all. Add to this mix, historically weak corporate governance, which can make the route to rescue even harder to negotiate.

However, there could be cause for optimism around the survival of sports clubs. Sport England is leveraging its focus on the code for sports governance to business transformation, and work with professional clubs to deliver place based support to communities to help Unite the Movement. The increased opportunities for the monetisation of income streams relating to intellectual property rights, should help further professionalise and fund certain sports.

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2024 NATIONAL CONFERENCE: HOW TO BE A LEADER WHEN GOING THROUGH RESTRUCTURING

Melissa Bruno, Partner at BDO, kicked off our afternoon sessions with an engaging presentation on how to manage change and lead in difficult circumstances.

Melissa outlined the most critical aspects for a leader in a restructure, with the top three being:

(i) Taking control (buying time where possible);

(ii) Reassurance and securing stakeholder support; before

(iii) Focusing on how you can fix issues, including revising strategy, systems and processes.

She discussed how workforces can respond to disruption, highlighting a minimum 10% fall in trust in their organisation in a turnaround. To counter this, and seek to maintain and boost trust, she talked through what a trusted leader looks like. Behavioural capabilities of a trusted leader include clarity, openness, and consistency, whilst they also need more "technical" capabilities to support a business' vision and strategy, execute this effectively, leverage support and respond agilely.

Finally, she discussed how technology can help leaders accelerate better decision-making. She talked through an example of utilising the tool of Organisational Network Analysis (ONA) to help focus communication efforts more effectively within a large or complex organisation.

2024 NATIONAL CONFERENCE: CONSUMER DUTY

Matt Francis (Senior Managing Director, Teneo) chaired a panel on the FCA's Consumer Duty ("the Duty") in which Katie Hudson (Manager, FCA), Kate Robinson (Principal, Avyse Partners) and David Ampaw (Partner, DLA Piper) shared their perspectives and lessons learned from the first year of operation of the new duty as well as some considerations for Directors of distressed financial services firms and insolvency practitioners when performing their activities.

Matt gave a brief summary of the Duty, which raises the bar on the level of protection financial services firms must give to consumers and its focus on demonstrating outcomes in respect to:

·products meeting the needs and expectations of their target market;
·assessing whether the products deliver fair value;
·making sure that consumers understand communications about the products; and
·designing and delivering consumer support such that consumers do not face unreasonable barriers.

Katie described the prompt for the regulator introducing the Duty, as it was not satisfied that the existing regulation was adequately preventing consumer harms having observed products in the market that were not delivering fair value, sludge practices, and insufficient account taken in respect of consumers with vulnerable characteristics.

Kate highlighted some of the challenges in implementing the Duty, which include: how to define a 'good' customer outcome when this might differ within a firm; whether responsibility for implementation should sit with the first or second line; and the challenges around evidencing compliance with the Duty.

David outlined the various actions that could be taken against directors and insolvency practitioners where they fail to comply with the Duty. Kate highlighted that many of the recent skilled person requirements notices, setting the scope of an investigation to be conducted by a third party, incorporate at least one element of the Duty.

The panellists discussed the progress that firms had made in respect to the Duty noting that many firms had come far in their journeys and others had much more work to do.

Each panellist underscored the importance of the Duty when working with companies in financial distress. Historically, wind down plans have focussed on the commercial aspects of any strategy. The Duty creates an expectation that firms consider their customers when making decisions around the level of service financial service firms provide in distressed situations and how they communicate with customers.

This is an evolving area and David explained that the FCA had consulted on new guidance for Insolvency Practitioners in April this year. Katie confirmed that the regulator expects to issue this guidance later this year, or at the beginning of 2025.

The panel concluded that IPs need to learn more about the practical consequences of taking on the insolvency of a financial services firm and seek advice; they need to engage early on with the regulator and evidence their decision-making in the context of the Duty.

2024 NATIONAL CONFERENCE: REAL ESTATE

The Real Estate Panel was chaired by Ali Khaki of FTI Consulting together with Kristina Middleton (BCLP), Edward Nicholson (Savills) and Matthew Sumpter (Mace).

Real Estate distress has been a common theme over the past 18 months. Unsurprisingly most of the audience anticipated further headwinds, but there are glimmers of an improving market with recent completed office deals and anticipated SONIA reductions, a view reinforced by Edward. The office market remains a hot topic following the multiple Canary Wharf enforcements as well as recent Fixed Charge Receiverships across the City. Kristina had recent, first-hand experience on the sale of an asset in receivership in central London resulting in Lenders being repaid in full, a highly successful outcome and perhaps testament to a market recovery.

The panel were of the opinion that there remains a place for enforcement action, which would not necessarily lead to depressed offers. Quite often the market has already ‘priced in’ any distress on a particular asset and we all know how powerful market chatter can be in the sector! Furthermore, an enforcement can often draw more buyers into any sales process as it gives potential interested parties certainty that a process will result in a sale, as opposed to a speculative market testing exercise.

Developments have also been an area of focus and recent, high profile insolvency appointments in the construction space have done little to alleviate concerns, in spite of more stabilised cost price inflation. Matthew explained that he is continuing to see contractors and sub-contractors battling inflation and trying to keep costs under control on large, complex developments. It remains an area that we all agreed is not out of the woods as yet.

It would not be a true real estate discussion without pivoting to ESG considerations, and the audience and panel were in agreement that any poor performing ESG buildings, regardless of sub-sector, will see further stress in 2025 especially those in secondary or tertiary locations.

This edition's regular feature spotlighting some of the rising stars within firms, has been incredibly popular, reflecting the level of quality and activity at the early career levels of turnaround professions. If you are interested in getting involved in IFT Next, please get in touch.

Michael Carr-White, Azets

Michael is a Senior Associate who has been with Azets for over three years. He joined after university and has recently finished his final ACA exams. Over this time, he has built up his analytical and advisory skills. Michael spent six months on secondment to the audit team last year which helped hone his quantitative skills and sharpen his financial statement analysis.

Michael's approach is focused on finding the best result for stakeholders. He has helped to advise lenders, banks, and charities on options. He is very interested in supporting accelerated sales processes. Key cases that he has worked on include:

- *The post-appointment accelerated going concern sale of a leading national business rates consultancy business.*
- *Involved in the going concern sales and the trading administration of a large retirement village and two care homes.*
- *Oversight of the administration of a property development company based in London, including the sale of its remaining development site.*
- *An accelerated sales process for an established London-based taxi company.*
- *Assisted with an options review and analysis of a well-known restaurant and bar chain.*
- *Provided analysis and support to a newly established further education institute in respect of its forecasting and changes to funding structure.*

Michael is an enthusiastic and hard working member of the London team and is showing a keen interest in mid-market turnarounds and restructuring situations. He recently completed his ACA training whilst managing a busy caseload of advisory and AMA assignments. Michael is now in a position where he is developing the junior staff and he is pegged to be a future leader at Azets.

Matthew Richards, Partner at Azets

Michael is a proactive team player, he proactively seeks out the more challenging client situations to get involved with in order to speed up his development, he never shirks the "less glamorous" parts of the job. Great to have around!!

Andy Davis, Strategic Advice Director at Azets

Michael's observations on the night-time economy sector...

In London, and in the UK more widely, the night-time economy is in dire straits, but its contribution, in the form of jobs and revenue, should not be underestimated.

Increasingly high rents, elevated costs and sustained interest rate pressure have contributed to a toxic business environment for bars, clubs and restaurants. Already skinny margins are shrinking further, and we are seeing more and more bastions of cultural heritage and nightlife stalwarts slide into insolvency and closure.

Footfall in the capital is at 54% of the pre-Covid levels, and a third of all nightclubs in the UK shut their doors from March 2020 to December 2023. Whilst the pandemic rightly shoulders much of the blame for the current mess, excessively strict licensing requirements issued by local councils have stunted recovery. Venues are being forced to shut their doors prematurely, customers are being denied the opportunity to spend money, and the cumulative impact this is having on the hospitality sector is catastrophic.

Manchester's night-time economy tsar, Sacha Lord, has grieved the decline of nightclubs and warned that there 'won't be any left by 2030'. A proposal for more lenient and bespoke licensing arrangements in Camden was killed by local residents and the police, a move which Lord accused of 'killing investment'. All the while, the Mayor of London has stated that he is 'delighted' with his initiatives, as they are 'boosting' the night-time economy and are pioneering 'better ways of living, working and doing business at night'. The figures speak for themselves in this debate; the night-time economy needs revival and those in power should not bury their heads in the sand.

The new Labour government has promised to put growth at the heart of its agenda. It has signified that it will legislate to prevent overscrupulous 'nimby' councils and great-crested newt enthusiasts from blocking its unstoppable campaign of housebuilding. It would be wise to direct some of this focus to get the night-time economy up and going. Allowing businesses to stay open and trade later would give the sector a much-needed boost. It is estimated that the night-time economy is underperforming by c.£1.5bn, as of July 2024. The government should do all it can to allow this sector to perform again by taking power away from overscrupulous local councils.

For the owners, operators, and lenders to bars, clubs, and restaurants, it is more important than ever that professional advice is sought and sought early. Identifying the warning signs and getting support from an experienced restructuring adviser could make all the difference.

Josh Garrigan, HSBC

Josh has been a member of the Corporate Special Credit Unit for just over 12 months. In this time Josh has quickly developed a strong understanding of all aspects of risk (Credit, Conduct, Reputational) which he has been able to deploy when dealing with Customers in Financial Difficulty ("CiFD").

Josh has a very pragmatic and approachable manner in the way he operates and has quickly gained the respect of both his Special Credit Unit colleagues and the frontline Relationship Manager population in the North.

During his first 12-months Josh has been involved in a number of challenging cases, where he has taken the lead and sought to deliver successful outcomes to both the Bank and customer. Within this case load Josh has gained experience with working with a large UK Franchise business which has been the largest exposure Josh has been solely responsible for.

Josh has also managed a number of AMA scenarios and handled complex negotiations in delivering best return for the Bank in addition to some more traditional restructurings of senior debt.

Josh has developed a fantastic relationship with the restructuring professionals he has worked with as well as members of the IFT through attending numerous conferences and seminars. His thirst for knowledge, continued professional development and willingness to take on complex funding structures is an inspiration for the wider members of the team.

Alongside his work with Special Credit Unit Josh also founded and promotes an Ethnic Business Growth Programme, which aims to provide advice, mentoring and professional support to entrepreneurs from areas in society who would not ordinarily have access to business support. Given his previous roles, Josh has a strong understanding of trade finance and has been able to use this in being a "go to" for frontline colleagues who have CiFD within the wholesale, import & export space.

"Josh, thank you for your ongoing support for a franchise connection. Whilst the client's situation is challenging they have been very positive about their engagement with you, your approach and understand that you are working (for the bank) but also in their best interest. It is very much appreciated. Thank you.

Gillian Morris, HSBC's UK Head of Franchise Unit"

Josh Garrigan, Director | Special Credit Unit | HSBC UK Bank plc

Sean Leaf, Barclays

Sean is a Turnaround Specialist within the Barclays Business Support team based in Manchester. With 17 years of diversified banking experience, which includes supporting all types of businesses from family owned to PLC, Sean is accomplished in identifying and delivering Turnaround strategies within the SME market across all sectors, with a continued high success rate and customer satisfaction.

Sean's observations on the market...

"Despite the significant rise in base rate, the UK economy and SME market has overall remained resilient. Fixed rate loans and mortgages have helped to soft land the impact along with the continued HMRC support helping to bolster liquidity. Wage growth has also assisted the consumer pocket despite the inflationary pressures we have seen.

Despite this consumer spending remains lacklustre and along with much higher debt costs has forced customers I work with to assess their gearing levels and look at de-gearing opportunities.

From a security value perspective, 2023 saw a fall in values across pretty much all commercial sectors although residential investment managed to stay broadly neutral as did secondary care. Offices were worst hit especially those outside central London. Retail property continues to fall but the rate of decline has slowed somewhat. Hospitality and leisure also saw continued falls especially leisure. Forecasts are more positive with most sectors anticipated to see growth in capital values. The exceptions are offices which are forecast to fall further. As always, quality and location remain key."

Sean is a highly motivated, enthusiastic and driven individual with a keen focus on supporting customers through difficult situations in his role. This coupled with his excellent people skills is invaluable when dealing with so many different stakeholders and where emotions are running high particularly in family owned businesses. His customer and colleague feedback all talk to his empathy, listening to understand along with good commercial judgement. He is an asset to the team.

Gavin Brittle, Business Support Director, Barclays

Summary of Sean's achievements

- Sean is a committee member for IFT Next covering the North West region. Within the last 12 months, Sean has organised & hosted a diverse range of events including a social breakfast, evening drinks, The Cube and Padel. These have all served to bring the turnaround community together and grow interest in the IFT.
- Supported a family owned group of Pharmacy businesses (that had banked with Barclays since the 1880's) through challenging liquidity times whilst the MD was also experiencing significant health / life threatening issues. In line with the clients' direct feedback 'Sean came to the rescue, due to his intervention, help and understanding he has placed the firm in the right direction.'
- Worked closely with a not for profit nursing home, providing early engagement of an IFT member firm to help both the client and the bank understand the options available. Sean assisted by providing urgent increases in working capital facilities while a viable plan was identified and implemented. The charity benefited from the IFT member firm's situational experience/expertise, and this allowed them to achieve a successful turnaround.
- A family farming enterprise where ill health took focus away from the business leading to an unviable position. Managed the customer through the denial curve whilst introducing an Agricultural consultant to help the client realise a viable turnaround strategy. A diversified business model which included new income streams was identified and implemented with the liquidity support from the bank. Over a short period, income and profitability improved which allowed the business to meet its commitments.
- Coming out of the pandemic Sean worked with a business that was over leveraged and struggling to meet its commitments, especially in light of a higher interest rate environment. As the refinance market was unlikely to address these issues, Sean worked extensively with the client to achieve a debt reduction strategy by way of the sale of land which improved affordability. This took the pressure off the business and allowed trading to continue.
- A successful tourism business was significantly impacted by Covid. At the same time the death of one of the partners added to the challenging situation. Immediate liquidity assistance was provided whilst a formal debt restructure under a new legal entity was accomplished. An amended repayment profile to align with the changed seasonality following the pandemic was implemented.

Sophie Newcombe, FTI

Sophie is a Senior Consultant in FTI Consulting's Corporate Finance & Restructuring team in Manchester with a focus on advisory and value creation engagements. Having qualified in audit, Sophie moved into the Restructuring team where she has enjoyed having the opportunity to add real value to businesses on engagements including independent business reviews, strategy development and working capital improvement.

Sophie has been on-board from (almost) day-1 since the opening of FTI Consulting's Manchester office, and has been central to building out the team and establishing the brand and capabilities in the regional market.

Sophie has experience across a wide range of sectors, however her recent experience includes a number of engagements in the retail sector, including a recent trading review of a high profile North West retailer and supporting the refinance of the operator of a well-known British brand.
Sophie represents the North West on the national committee of IFT Next where she has been building both her own network and IFT Next's presence in the local market.

"It has been fantastic to watch Sophie grow, building on her previous experience across a variety of restructuring and advisory situations over the last 12 months and working on some of the most high-profile situations in our market.

Sophie has also grasped the opportunity to build her own personal brand in the market, developing a strong reputation with clients as we grow, and capitalising on the wide level of exposure that she has enjoyed since joining FTI Consulting."

Oliver Wright, FTI Consulting Manchester Lead

Sophie's observations on the retail sector...

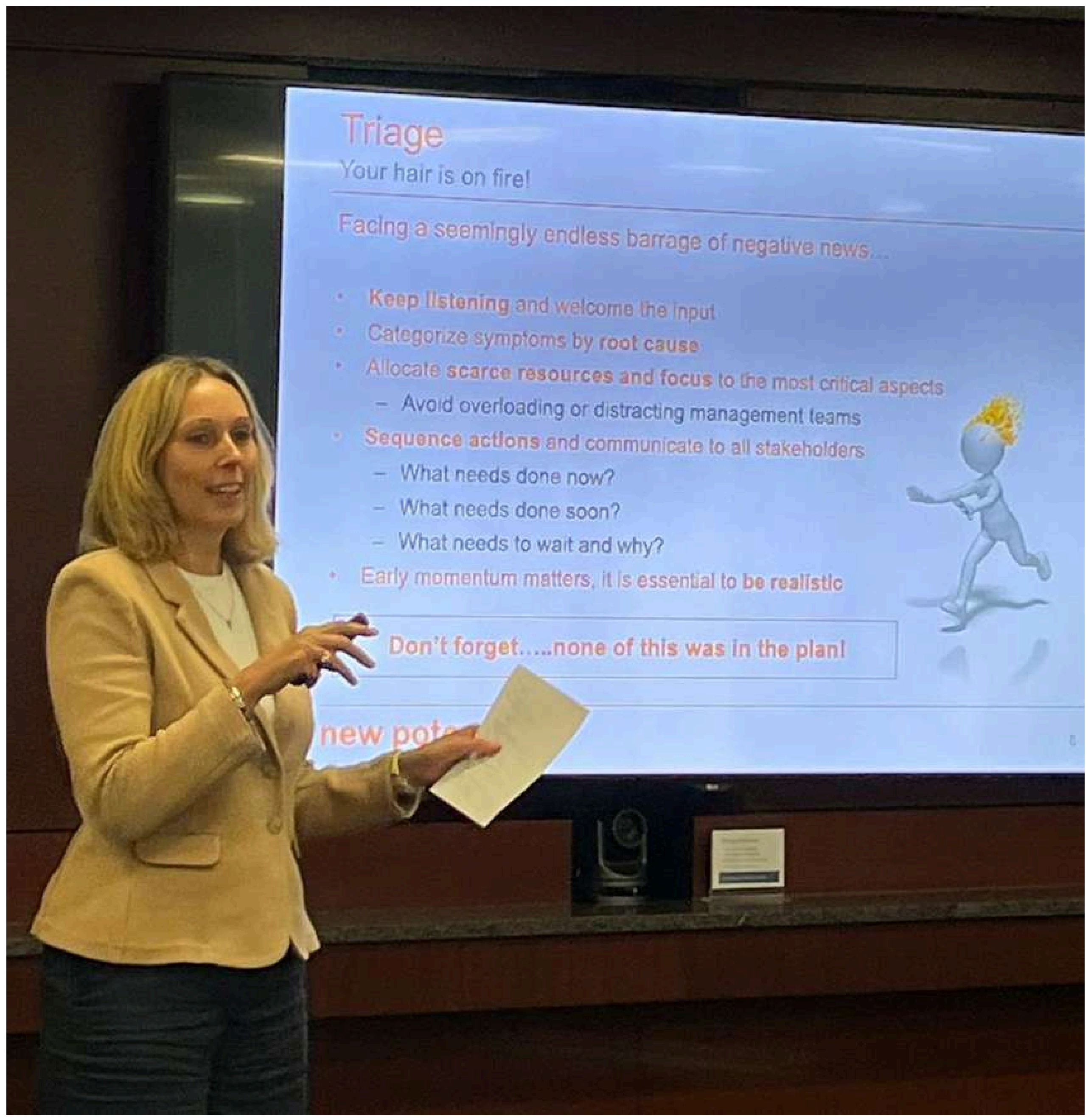
"The retail sector continues to face a wide range of challenges including macroeconomic and geopolitical disruption and the impacts of labour shortages, rocketing inflation, energy prices and supply chain disruption. Consumer spending is yet to fully rebound and has meant restructurings are becoming an increasingly viable option for UK retailers, yet uncertainty in the sector means that refinancing arrangements are no longer as accessible and pricing, terms and diligence requirements are increasingly complex. In an attempt to manage the effects, we have seen a number of examples where management teams have successfully implemented cost reduction strategies, however underlying issues with trading performance coupled with less than straight forward refinancing positions, means the medium term outlook may be challenging. We therefore expect to see some further work in this area in the restructuring space."

Swift

IFT ACADEMY

In September we held Module 4 of our Academy Learning Programme.

On day one we kicked off with a presentation on leadership styles and stakeholders in restructuring, from our programme lead Shaun O'Callaghan. After lunch we heard from Jonathan Ingram of UK Government Investments (UKGI) on restructuring in the government's context. Kelly Jones of New Potential joined to present in operational turnaround using an interesting case study and we finished the day with a wonderful group dinner and networking.



Day 2 of the module started with a practical leadership exercise and a case study on valuation in a distressed situation. Later we were joined by Simon Caton of AlixPartners to talk us through the Interserve case study, Chris Edwards of Teneo on debt markets and finished off with a presentation from Chris Howard of Sullivan & Cromwell LLP on dynamics in multi-stakeholder restructurings. Thank you all for joining and we look forward to seeing our cohort at the final module!

IFT NEXT

The IFT Next community has been incredibly active recently, with a selection of varied and well-attended events. A selection of photos from some recent events are featured below.

North West Pizza & Padel

West & Wales Lunch

North East drinks

the ift
Adapt. Transform. Succeed.

PwC insight: How to adapt your workforce strategy to create value during a turnaround

Natalie Nash - People in Deals Leader, PwC UK

The role of people in large-scale turnarounds has never been more important, and yet it's often overlooked.

Global megatrends, from climate change to AI, have intensified the need for businesses to rethink their workforce strategy. One in five UK CEOs do not believe their business will be viable in 10 years' time on its current path, according to PwC's CEO Survey.

This turbulence has been further amplified by global crises, such as global conflict, rampant inflation and supply chain disruptions, which are forcing businesses to reinvent in order to survive.

But nimble resource reallocation—a common attribute of high-performing companies—remains a critical area for CEO attention. 28% of CEOs say their company reallocates just 10% or less of its resources from year to year.

Rethinking restructuring

To drive a successful turnaround, leaders need to have a clear sense of how their people create value and be willing to make tough calls. In our experience, this often involves large-scale restructuring.

The size and shape of the future workforce should be driven by your desired operating model. For some, adopting a leaner approach may drive cost efficiencies, while for others, scaling up could help them provide more customer-centric services. In many cases, middle and back-office functions are transformed into centralised capability centres or shared service hubs, with routine tasks automated.

The risks of undergoing such a transformation, including the loss of talent and disruptions to productivity, can be mitigated by inviting your people to share in your vision. From seeking input on implementations and decision-making, to providing training and rewarding positive contributions, active employee engagement is fundamental to building a supportive and innovative culture.

Similarly, resistance to turnarounds can be reduced by tailoring your change and communication strategies to each stage of the process. When your people feel they have a role in the turnaround, rather than it being driven from the top down, they're more likely to be happy, collaborative and productive.

Mind the skills gap

Strategic upskilling and reskilling are central to any successful turnaround, but many organisations have a long way to go. 78% of CEOs report a skills shortage within their organisation, and this is set to rise, as AI continues to reshape the capabilities needed in a successful workforce. As operating models adapt, transactional skills are being replaced by more value-oriented skills such as agility, leadership and data analytics, with many routine tasks being automated.

Developing these skills internally can save money. But it takes time, a luxury that many businesses don't have when they're in the thick of a turnaround. If recruiting isn't an option, strategic partnerships and short-term talent can provide interim solutions while skills frameworks are strengthened. Another option could be exploring alternative working structures; hybrid and global approaches can unlock access to previously untapped talent pools.

How to lead a successful turnaround

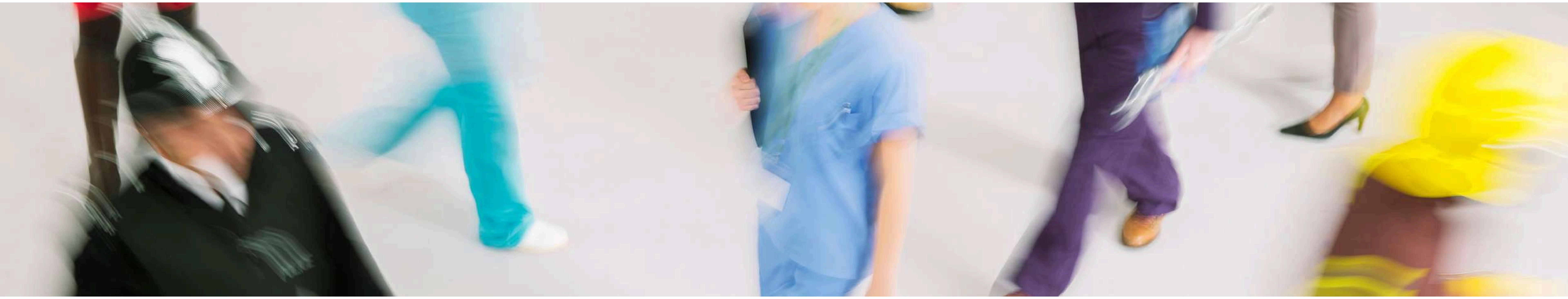
You can strengthen your approach by:

- **Upskilling your leadership team.** Don't forget that your leaders are also going through the turnaround. They may not yet have the necessary skills to influence cultural change, especially in times of rapid transformation. Providing them with targeted development programmes will not only help them to lead with greater impact, but give your employees more confidence in the transformation.

- **Setting a clear turnaround strategy.** Develop a strategy that aligns with the immediate needs of your organisation and its longer-term growth objectives. This should include clear, actionable goals and a focus on cultivating positive engagement at all levels.

- **Rewarding desired behaviours**. 72% of organisations report that culture helps successful change initiatives happen. Create an environment where the desired behaviours are rewarded—including, for example, linking pay and bonus to certain behaviours—and you will be more likely to create meaningful, enduring changes to your teams.

By taking full ownership of the transformation and putting your people first, you will unlock your organisation's potential to thrive during transitional periods. This will not only accelerate progress towards your goals, but also drive more sustainable change, ensuring the transformation delivers lasting value and positions your organisation for future growth.



Under pressure: A new era for independent schools

Philip Watkins, IFT Fellow and Restructuring Advisory Partner at specialist business advisory firm FRP

It was a headline policy in the Labour party's election campaign that has now become a reality.

VAT at the standard rate of 20% is to be added to private school fees from 1 January 2025, and schools will no longer qualify for business rate relief.

It means 2,500 private schools in the UK now face a quandary; do they pass on the extra cost to parents, or try to absorb it as much as they can?

While the impact will be marginally mitigated as schools are able to recover VAT paid on certain business expenses, we estimate most will still have to impose fee increases of 15-17%, under current business models.

That comes after many schools have already been hiking fees due to their large and growing fixed cost base, with staff wages and energy both big contributors. In recent years we have seen the war in Ukraine, which pushed up energy prices, followed by a cost-of-living crisis, which put upward pressure on wages. In response, fee increases of 7% a year have been fairly typical over the last three years.

Remissions

One of the biggest concerns for at risk schools is falling pupil numbers, particularly in early years settings – a trend that is often difficult to reverse. Increasing remissions, including bursaries, is likely to boost retention. However, this is often only a short-term solution, and rising remissions should also be considered a warning sign of financial stress.

And then there are the financial fundamentals: a school should be generating a healthy surplus of at least 10% in order to be able to reinvest in capital items such as buildings, IT and sports facilities, or risk falling into permanent decline.

But what are the options if viability can't be maintained?

Assessing all options

A successful turnaround will clearly be the most desirable outcome for the entire school community, but this will require

significant operational change, time and funding, which may not be available.

If a turnaround is not feasible, a merger with another, better performing school may be the next best course of action.
This means the school could maintain its charitable status and a merger with a stronger school can create an entity with a smaller combined cost base that will be more resilient to the slings and arrows of market forces by virtue of its size, demographic and market share.

This also presents an opportunity for the enlarged school to improve its long-term viability through increased pupil numbers, a larger estate and the consolidation of costs.

Though the independent school sector has seen significant acts of consolidation in recent years, the market remains fragmented and there will be a growing number of acquisitive, privately backed school groups that will be looking to capitalise on the latest upheaval.

Such groups are attracted by the, often discounted, rich asset base of land and buildings, and often employ a strict commerciality that is often absent in the charitable sector and typically impose higher pupil to teacher ratios designed to achieve better margins.

As such, they are well-practiced in turning around underperforming schools and securing their long-term future.

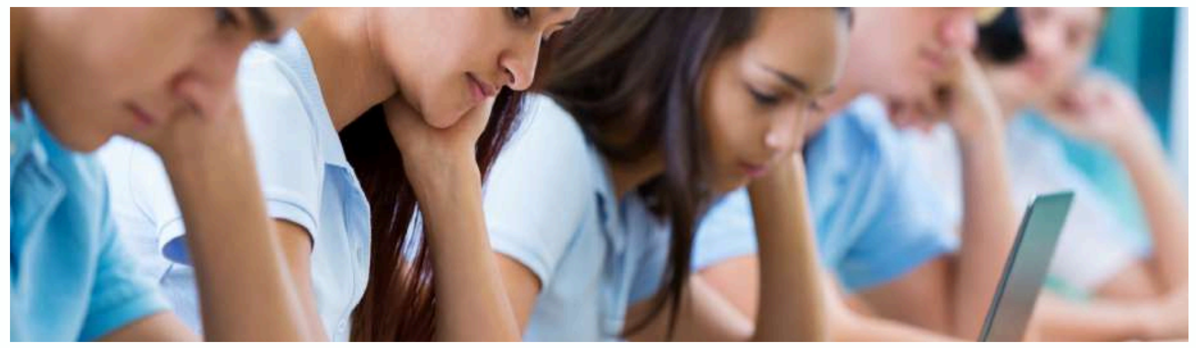
Act early

If decline becomes embedded and viability falls completely away, a solvent closure means a school can close in a manner that takes into consideration the best interests of parents, pupils, teachers and other staff.

This will see the school remain open and operational until the end of the school year and all staff properly remunerated ahead of closure. However, even this course of action will also require careful planning and often involve substantial funds being raised to cover employee and other closure costs.

But I'm sure all stakeholders will want to do everything they can to preserve the future their school. After all, schools are where we spend our formative years, and they hold a particular emotional attachment for their communities.

In our experience, the most important lesson is to engage an experienced turnaround adviser who can help you navigate these challenges as early as possible. This is even more important in the charitable sector where often governors and senior leadership teams do not have the time to develop and implement a strategy at a time of financial and operational stress, or would particularly value specialist support on areas outside of their skillsets.



About FRP

http://www.frpadvisory.com

FRP Advisory Trading Limited, which is a wholly owned subsidiary of FRP Advisory Group plc, provides a professional and considered approach to problem solving. With more than 760 employees, including 103 partners, FRP is one of the UK's largest independent business advisory firms specialising in corporate restructuring, corporate finance, forensic services, financial advisory and debt advisory. It has a strong reputation and track record for creating, preserving, and recovering value across a range of complex situations.

The firm operates across a network of 31 offices in England, Scotland, Cyprus and the Isle of Man. Its advisers work at board level, with investors, lenders, government and regulatory bodies, plus other professionals and individuals requiring professional support. FRP provides a wide range of services, as well as specialist industry experience to enable the delivery of sector specific solutions.

WELCOMING OUR NEW CHAIR & BOARD DIRECTOR

In addition to our annual conference, September brings our AGM, which this year was our last with Andy Leeser as Chair. Thank you to Andy for all your great work as Chair.

Our new Chair, taking up the position at the AGM, is Claire Burden.

Claire brings extensive experience as an independent IFT member to the role, having spent ten years in interim company advisory and director roles, with a particular focus on financial turnaround.

Claire has been a statutory director for nearly 50 entities and brings experience as both an independent and corporate adviser. Most recently she joined Evelyn Partners heading up their consultancy practice. She became a Fellow of The IFT in 2024.

This year's AGM noted another year of strong financial performance and the successful reception of The IFT's new brand in 2023. We have pushed ahead with regional engagement and programmes to increase our thought leadership and advocacy, whilst our core offering of national and regional conferences, annual awards and the IFT Academy go from strength to strength.

We look forward to working with Claire to continue to develop The IFT's profile and offering.

As Andy stood down as a Board Director, we also welcome IFT Independent member Kelly Jones as a Board Member, elected at the AGM.

Kelly is an independent member of The IFT, having joined in 2017. A qualified engineer, Kelly has been working in turnaround and transformation since 2014. She has been an active member of The IFT, including sitting on regional and other committees, leading our Women in Turnaround network and speaking at events and our IFT Academy programme.

We'd also like to thank all our member Board Directors - Steve Hanlon, Clare Boardman, Claire Burden, Richard Obank, Nick Edwards, Nick Alexander, Rob Asplin and Peter Charles for the support and guidance they have given and continue to give to The IFT in 2023-24.

IFT EVENTS CALENDAR

In-Person Events

14th Nov **Get to Know Your Independents**
Midlands

14th Nov **Networking Event**
North West

27th Nov **Fellows Dinner**
London

To register for any of the events listed here, please email info@the-ift.com

Online Events

19th Nov 08:30 **IFT Webinar: Women and Financial Resilience**

UK Alternative Network Providers (Altnets): Reacting to the New Normal

UK Fixed Broadband Market

The UK Fibre-to-the-Premises (FTTP) market has seen rapid growth, driven by increasing demand for high-speed internet and government initiatives aimed at improving digital infrastructure. FTTP, also known as full-fibre broadband, delivers superior speed and reliability compared to traditional copper-based connections.

Alternative network providers (altnets) offer high-speed internet services, particularly in underserved and rural areas and are instrumental in challenging the dominance of incumbents such as BT Openreach and Virgin.

Market backdrop

Altnets have secured c. £45bn of funding from a variety of sources with over 90m lines, under initial rollout plans, proposed to be built. This implied significant overbuild of the UK's c. 32m premises with Teneo analysis suggesting a more likely case of c. 60-65m FTTP lines.

Most altnets initially focused on the pace of build rather than commercialising their network but a combination of high inflation and rising financing costs has led to greater cash burn and lower returns than originally forecast.

Market consolidation is expected to bring economies of scale and partly mitigate overbuild and is already starting to happen (e.g. CityFibre / Lit Fibre and Netomnia / Brsk tie ups).

Implications for stakeholders

Raising consistent funding remains a challenge for altnets given the capital intensity of building a fibre network and timescales for investor returns to materialise. Accordingly, management teams are increasingly turning their attention to cash generation and finding a route to a sustainable capital structure.

Shareholders are facing heightened scrutiny over new equity commitments with longer term financing, capex and penetration assumptions all having to be evidenced in much more detail.

Financing drawdown conditions are predicated on rollout metrics rather than liquidity, often leaving lenders with short timescales to approve access to undrawn facilities or provide incremental funding when performance does deteriorate.

Management tools and actions

Management teams have various tools and actions available to maximise funding capacity, alleviate covenant pressure and preserve liquidity:

- Pivot build resource to customer connections; lower forward commitments to reduce operating expenditure / fixed cost base.
- Re-engineer homes passed profile to 'ramp down' certain projects; prioritise clusters based on overbuild risk; keep parts of the network under review for potential M&A.
- Stopping the build altogether can preserve liquidity but ultimately takes away growth prospects and signals distress to potential buyers.

Insolvency considerations

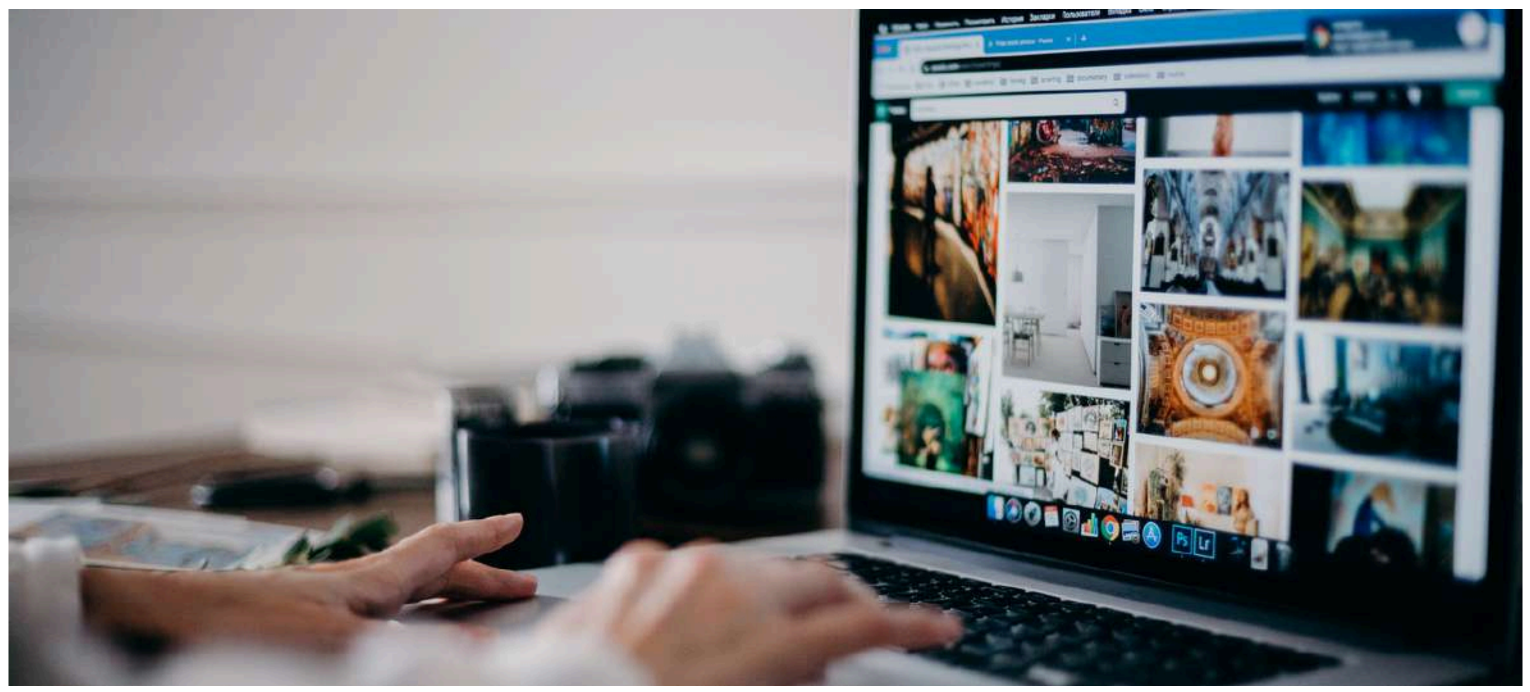
Teneo were administrators to Broadway Partners, a rural altnet utilising the Government's Project Gigabit scheme where we navigated multiple insolvency specific issues including:

- Withdrawal of BDUK vouchers / inability to transfer
- Health & Safety compliance for ongoing build and network maintenance
- Securing funding to continue trading
- Customer retention given negative press attention
- High level of public interest including from MPs and the regulator

Future outlook

Tough debt markets and investor sentiment is unlikely to change in the near term leading to:

- Continued pivot from laying fibre to commercialising the network to drive cash generation and positive EBITDA.
- Further market consolidation as liquidity constraints help close valuation gaps.
- Investor scrutiny over future returns particularly where dependent on ambitious penetration rates and exit multiples – leading to more lender driven M&A processes.
- Rising insolvencies for operators without a quality brand and retail engine in place.



IFT AWARDS 2024 : Winners

THE IFT ANNUAL AWARDS 2024 WINNERS

Turnaround Adviser of the Year

FTI

Special Situations Private Equity Provider of the Year

Rcapital Partners LLP

Rising Star

Dan Stathis - Kirkland & Ellis

Tom Miller - Alix Partners

Large Company Turnaround of the Year

Four Seasons Health Care Group (Alix Partners)

Mid-Market Turnaround of the Year

Grainger & Worrall

SME Turnaround of the Year

OFP Timber Frames Homes Ltd (Barclays, Kroll)

Community Impact Turnaround of the Year

Specialist Aviation Services Limited (FRP Advisory)

Special Situations Debt Provider of the Year

BZ

Legal Adviser of the Year

DLA Piper

Freshfields

the ift Adapt. Transform. Succeed.

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Navigating the options of a lease exit whilst mitigating liability

It's important for tenants to be aware of the end date and any early break option provisions in their leases.

They must comply strictly with any break option for it to be effective and it cannot be unilaterally withdrawn once served. If the lease does not contain a break option, the landlord may still agree to end the lease early, but this will usually require the payment of a premium.

If the tenant wishes to stay in the premises, the landlord may agree to a renegotiation of the lease terms, known as regearing, which may lead to a rent reduction, rent freeze or removal of compliance with repairing obligations.

Alternatively, in compliance with the lease terms, tenants may be able to assign their lease to a new tenant or underlet all or part of the property. However, the original tenant is likely to remain liable for any breaches of the new/undertenant at the end of the lease.

Effectively managing dilapidation claims

In almost all circumstances when tenants are exiting or assigning their lease, any existing breaches of its terms will be relevant and the landlord may have a claim in damages for losses suffered as a result of the breaches, known as a dilapidations claim. Effectively managing this claim will help reduce the sums the tenant needs to pay to the landlord.

As a team of specialist lawyers and surveyors, it's always surprising to see so many instances where the landlord's dilapidations claim at lease end takes the tenant by surprise. Our advice would always be for the tenant to take the upper hand and understand their dilapidations position at the earliest opportunity, as this will place them in the best position when it comes to negotiating with the landlord. In all cases where our clients have obtained dilapidations liability assessments from us well in advance of lease end, we have been able to save them from substantial claims against the true value of the claim under the lease.

At its most basic, there are two options available to tenants in dilapidations:

1. Complete the works necessary to hand the building back in strict compliance with the lease prior to lease end.
2. Agree a financial settlement in lieu of any claim for damages.

From a tenant's perspective, if dilapidation negotiations can start well before lease end, typically 6-12 months, or even earlier for larger premises, then the levers available to them in negotiations are greater. For example, whether the tenant intends to undertake the works in compliance with the lease or not, the ability to suggest they do will focus the landlord's mind and, in most circumstances, allow the tenant to walk away for significantly less than they may do dealing with dilapidations post-exit. To facilitate those negotiations, a dilapidations liability assessment is strongly recommended.

For further information please contact Dawn Reynolds, partner and national head of real estate dispute resolution at Gateley Legal, or Gayle Taylor, managing director at Gateley Vinden.

Dawn Reynolds

https://gateleyplc.com/people/dawn-reynolds/

Gayle Taylor

https://gateleyplc.com/people/gayle-taylor/

EDI in Restructuring Interview: Victoria Kerton, NatWest

For our inaugural interview as part of a new regular series covering Equality, Diversity and Inclusion in the restructuring industry, Jenna Gadhavi, National Marketing and Communications Senior Manager and EDI Committee Chair at FRP sat down recently with Victoria Kerton, Head of Corporate & Commercial Restructuring at NatWest to discuss her experiences and ideas for promoting change.

JG: So first of all, could you tell us a little bit about your career so far and why ED&I matters to you in particular? Big question.

VK: A big question, and my career so far and the importance of ED&I reflects my personal experience (and my generation), especially as my career has been punctuated by life stages which were more pronounced and impactful for female colleagues c15 years ago. And so, I took some very deliberate decisions in terms of choice of employer and choice of role, dependent upon how I could find ways to support my family responsibilities as a primary care giver, as well as my career. In terms of what was seen as a gender based decision, it meant – to the negative – there were a number of career opportunities which I felt the doors were closed to. The whole concept of the 24/7 work culture, which was predominant not that long ago, made that very difficult. But then there were also other biases I faced into, and some from across my client base. As a senior woman in role, there were different ways I had to learn and adapt my personal style to convey confidence and competence, speaking in a man's language as well as my own voice. So, I had to adapt, whereas now, people talk about being authentic; it is a different balance. But during this part of my career (and with hindsight this was very much to the positive) I had to be creative in terms of some of the jobs and the roles I took.

So at a high level it meant I had to get comfortable and creative in terms of not looking "up the vertical ladder" which at the time, vertical was pretty much the only way you were expected to go. And if you weren't going vertically there was an assumption it was because you weren't good enough. I had to try to break that mould and demonstrate that I could take different roles and opportunities across a horizontal and still be "successful". For a while that was challenging because other people's perception it was because I wasn't able to continue up the promotion ladder. But actually, for me at the time, I loved it, because it meant that I was able to collect different enterprise skills and I was able to work in different parts of banking, which perhaps I may have overlooked. However it meant I had to do a number of sideways moves, and there was the potential risk that it wouldn't then all come together. But certainly in the last eight years, I was able to step through a couple of roles which brought together all of those different skills, enterprise skills, which have enabled me to be a much more rounded and I would say effective leader of people and leader of business now.

My entire career has been banking – investment banking, corporate banking, commercial banking – and the majority of my career has been across origination and front book activities supporting clients. I've been in [the] restructuring and insolvency industry for three years – three years today funnily enough – which is, on the one hand a continuation of front book focus of supporting business and supporting clients, but it is a very different and nuanced skill set in terms of technical requirements. So, the opportunity to collect different enterprise skills over the years has meant when I moved into restructuring and insolvency I brought with it a range of perspectives to apply to a very specialist area, and so far, it is working well.

Since you've been in restructuring and insolvency…we're on a bit of a journey when it comes to ED&I in this space, have you seen any evolution for the positive over the past couple of years, and what was that and why do you think that is?

I definitely have… I've noticed a tremendous change in the early careers, the graduates who are looking to commence banking careers. And for the first time my cohort of grads last round were entirely female across the national business, and from different cultural backgrounds as well. That was quite a moment actually. And this is part of a discernible shift that's recognisable over the last three years, that we are breaking down the barriers I think were around restructuring. From the outside looking in, there was definitely a sense of: it was highly specialised, it was really technical, it required intense in-depth negotiation which could be 24/7 and a set style of negotiation traits. And I think that's the shift – even in the last three years – which has become quite apparent: that there are different engagement and negotiation styles that are recognised as effective and because of that we are attracting different people wanting to come into the industry.

My management team is 50:50 gender split too, and I think that's important. There is a definite relevance to people casting long shadows because it enables people to identify the different qualities or attributes that can be brought through. There's definitely a recognised understanding now that there are different skills and voices required to support effective negotiations and good outcomes.

Victoria Kerton
Managing Director, Head of Corporate & Commercial Restructuring, NatWest

Absolutely. And then I guess from a client perspective, are you noticing more of an awareness around the teams that you're putting in front of clients, and how much do you think the importance is going to change around looking for diversity in the partnerships that you have through these working relationships?

Not long after I joined the Restructuring team, I undertook a piece of work to explore understanding of our clients through different lenses, for example whether they be family businesses, or gender or ethnic backgrounds and if there were learnings aligned to those aspects to help us consider how they were understood, different types of support or needs, or building of relationships that were meaningful for them. What emerged, is that we were already incorporating and addressing the different customer perspectives and needs, in part because we were aligned in terms of wanting to find a way through, to deliver a good customer outcome. That's definitely something I recognise in terms of my wider NatWest team, but I would extend that to the wider Restructuring industry, balancing the getting after the issues with finding ways to support and a way through for all stakeholders.

That said, we also invest at NatWest, we invest a lot of time across our restructuring teams to understanding customer needs and support, we invest in relationship skills and we do this through various mechanisms including roleplay; we also invest a lot of time in terms of people understanding personality and behavioural traits and mindset. Most recently I took my wider relationship team through mindset and behaviours training to think about the context of: how would a client feel, how could we best communicate, how can we best understand what these are, as well as thinking about that from the different backgrounds as well.

That's really interesting. So we've spoken about the evolution of ED&I in restructuring over the recent years, if you were to design a bit of a roadmap for creating a more equitable and inclusive workplace, what sorts of things would you consider for that?

It's interesting isn't it, because there are quite a few different external factors which need to be considered, but I think ones we can influence and actively create a roadmap for is to look for and create opportunity for people from different backgrounds and experience levels to have "authority", and the "ability to lead" in our team settings - whether it be a particular discussion, form of engagement or activity, and do so through different voices.

So, it's making sure that we give people who demonstrate "will" both opportunity and exposure. A quick and effective way to do this is to embed "good behaviours" in terms of providing open chairs for different business settings, team meetings or leadership meetings. This serves to give people awareness of issues which are perhaps beyond or outside their existing day-to-day to help inform them so they can understand, as well as opportunity for exposure to practice in this setting. As a business leader it is also about being conscious in creating "safe places" for people to develop and grow in these settings too and creating opportunity at every level.

Another important cultural aspect which can be influenced, is the embedding of a peer to peer coaching culture and something I champion passionately. Whilst an indirect benefit, a peer-to-peer coaching culture, together with a robust feedback culture, mitigates or removes a hierarchical influence. It gives people at early stages of career, or those who are on a different step, an opportunity to feel confident that their voice is heard and that their feedback is considered. So then there's more ownership in terms of thinking, "okay, what feedback should I give", which further encourages the "leaning in" and the "reaching up".

At NatWest, how important is it and is it prevalent that there are stakeholders around the firm that bring their – where they're comfortable – their personal stories to the forefront so that people remember that we're all human and actually there are other people going through the same things. How prevalent is that at NatWest and is it encouraged?

It is encouraged. We talk about it a lot – in terms of the importance of "authentic leadership" and for everyone to feel comfortable be able to bring their whole self to work…whilst there still needs to be some sensible parameters around that, I think it's really important, being human. And it's something which I talk to as well. I'm comfortable in sharing where I have had failures or where things haven't gone so well, my learnings and also my emotional reactions too, because I also want to show that human side; it's that tone from the top which does that – people recognise it, see it and feel it. At NatWest we do have a culture which I can confidently say enables people to bring themselves to

work and to share their human sides, but I think it's imperative for us to continue to provide a supportive culture, not be complacent, and to be aware that perhaps some people are less comfortable or able to bring their personal stories to the forefront and to support them as well. But it's definitely helped, and tone from the top is key in unlocking that

One thing I will say though, I think it's also really important that if we are showing vulnerability – vulnerability, human side, that's my personal style – we've also got to make sure that we don't lose the confidence of people as well. And that is a balance, so if there is confidence lost because we're making too many mistakes or we're too open in sharing our concerns, that can be damaging as well.

In terms of the future direction of restructuring and insolvency as a whole, what do you think would be the key ways you see EDI developing over say, the next five to ten years?

I think the restructuring & insolvency industry is in a pretty good place actually with regard to EDI - there are really good signs from the banks and professional advisors as to the diversity of people they're attracting, who they're retaining, and programs supporting and championing development. So I think a continuous relationship build across the different partners enables people to look in and see and learn what's going well elsewhere and to utilise that insight and to grow from it. As an industry we will also need to consider the changing face of UK plc and making sure we are keeping up with that as well.

Otherwise, my only other recommendation is to stop and check every now and again, not just what our restructuring landscape looks like, but what our UK "growth" landscape looks like, our entrepreneurs and businesses of tomorrow, because invariably some of them will come into this space, and being aware of the behaviours and drivers, and the basis of decision-making in the growth landscape is important.

Please reach out to The IFT or FRP if you would like to get involved with this work or be interviewed for this column.

This is part of FRP's programme of work on Equality, Diversity and Inclusion to support and promote positive change in the restructuring industry.

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