



The Insolvency Service

- Good morning. My name is Mark Austen and I am the Chair of the Insolvency Service Board.
- Thank you, Cillian, for that warm welcome, and welcome everyone to this year's Policy and Technical Conference. It's great to see so many of you here with many hundreds more of you online. Hybrid events like this, of course are now the 'norm', giving the opportunity for so many more people to take part than would have been possible a couple of years ago.
- Our conference last year at Aston University, was a great success and it set a very high standard. We've got papers of equally high standard today on very current topics, being presented by noted experts from academia and across the insolvency profession.
- As Cillian noted, Nottingham Law School, here at Nottingham Trent University, has a solid reputation in insolvency research and development, and it provides a great base for this year's conference.
- The faculty is at the cutting edge; for example looking at insolvency in the new digital age. The Centre's Co-Director and our host academic, Professor Rebecca Parry, is a leading expert on the insolvency of cloud companies. Her paper at last year's conference on 'An Insolvency Regime to Support the Digital Economy' was very well timed – as just a few weeks ago, the Official Receiver was appointed liquidator of two digital cloud-based service providers. A real-life example of insolvency research having direct relevance to what is happening in the business environment.
- Today's conference focuses on the theme of "insolvency response in uncertain times". And we are undoubtedly living in uncertain times.
- The Insolvency Service has been around in some shape of form since the late 1880s, and has always shaped its delivery to reflect the needs of the UK. Boom times and bust – the great depression of the 1930s, the global financial crash in the late 2000s, and more recently the pandemic and now a war in Ukraine. We have always tried to make sure that our insolvency regime works for the way the nation and its people do business. And we continue to innovate as well as deliver for our customers.
- This year, we have consulted on potentially significant reforms to the framework for Insolvency Practitioner regulation. The current regime has been in place since the mid-1980s and the way the profession does business today has completely changed since it was put in place. We received over a hundred responses from a wide range of stakeholders, with a diverse range of views – for which thank you. We are now considering those responses and working with Ministers to determine a way forward as soon as possible.



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- We also need to make sure our Personal Insolvency framework is fit for the 21st century. You will probably know that we recently launched a call for evidence and again we are very grateful to everyone who took the time to engage with us. I am also very grateful to the academics who helped to develop the Call for Evidence; some of whom are here today. This work will really help us to understand what it is that those impacted by individual insolvency think the regime needs to offer, if it is to work in a modern and effective way.
 - Also, the 'Energy Supplier Special Administration Regime' was used for the first time, when Bulb went into special administration last November. The Insolvency Service lent significant support and expertise to those dealing first hand with the administration which is now reaching its conclusion. Bulb's 1.6 million customers had no interruption to their energy supply throughout – an example of the Insolvency framework doing what it needs to for the UK.
 - You will of course have heard of some of the major liquidations our official receivers have dealt with over the last few years, but there are often less well known cases that can have a really significant impact on those caught up in them. Cases such as the Rutherford Group of companies which operated cancer diagnosis and treatment across the UK. Winding up orders were made in June. The liquidation posed a number of challenges, such as securing the cutting edge Proton Beam Therapy treatment delivered by way of huge radioactive machinery – containing hazardous material – and the transfer of critical patient treatment & records into the NHS.
 - A matter I am particularly vested in is to make sure the Insolvency Service does everything it can to help those people affected by the Post Office Horizon IT scandal. You will know about the devastating impact it had on the lives of a number of postmasters with some being declared bankrupt or wrongfully prosecuted. We are working closely with the Post Office and others to do everything we can to provide support to and maximise the compensation for those people who were forced into bankruptcy as a result of this awful case.
 - I care deeply about making sure we do the best job we can for our customers, and I'm delighted that independent research has reaffirmed our reputation for excellent customer service, with our customer satisfactions levels increasing to 84% overall, and some categories of respondents scoring us over 90%.
- Over the course of last year:
- Nearly 45,000 claims were paid by the Redundancy Payments Service to individuals affected by the insolvency of their employer.
 - 58,400 Breathing Space applications were granted and managed.



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- 22,600 Debt Relief Orders were made; 6,500 of these due to the change in the monetary eligibility criteria introduced in Summer 2021, allowing more of the most economically vulnerable people to get debt relief.
- There are so many more examples. But what's important is how – amongst so much uncertainty on the world stage – we continue to deliver for our customers alongside our programme of reform. I am incredibly proud of the achievements, professionalism and dedication of the Insolvency Service staff – and the many professionals in the insolvency sector working with us to provide a world class insolvency regime that helps to deliver economic confidence, which is more important than ever.
- So to today's programme.
- I am very grateful to everyone who submitted papers. We recognise the time taken to develop them, as evidenced by their high quality – I understand the disappointment of those of you who submitted papers that weren't selected, but unfortunately there is limited time and we just can't do justice to all of them. I hope you will consider submitting again in future.
- Today's conference starts with:
 - A paper from the University of Birmingham's Dr Katharina Möser, on personal insolvency and the current Cost of Living Crisis. Her paper analyses theories that could inform the role of personal insolvency in England and Wales.
 - We also have two separate papers prepared by Professor Yvonne Joyce and co-authored respectively by Dr Betty Wu her colleague from University of Glasgow and Eileen Maclean Director of Insolvency Support Services. They based their investigations on a dataset of empirical evidence making their study one of the largest in the field:
 - The first paper investigates the effects of the market share of insolvency practitioner firms and secured financial creditors, and the effects of prior relationships between these parties on direct insolvency costs. That can be quite a sensitive issue.
 - The second looks at the quality of insolvency reports – which are the primary channel of communication between insolvency practitioners and creditors & shareholders
 - We then have a paper by Stewart Perry, a partner at Fieldfisher LLP, and Ben Luxford - R3's chief technical officer, that considers the legislation that prevents the abuse of phoenixism.



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- After lunch we have a three-paper session. Looking at different aspects of the difficulties that environmental liabilities can cause from particularly large insolvencies:
 - o The first of the three is presented by a team from Clifford Chance. They've analysed the recent liquidation of Baglan Operations Limited based upon their own experiences from working on the case.
 - o Then Dr John Tribe from the University of Liverpool, with his paper that theorises around the question of 'where should such risk and responsibility reside'.
 - o The session concludes with a joint paper by Professors Andrew Keay from the University of Leeds and Peter Walton from University of Wolverhampton, who look forward at the potential issues of where public interest issues intrude upon the insolvencies of large companies.
- Then, we end the day with Dr Stephen Baister, who returns after presenting at last year's conference. His paper provokes our understanding of value for the estate and creditors.
- I am certain this will be an interesting and thought provoking day and I really hope that you all engage with the sessions and ask questions.
- Just before I go, I would like to express my thanks, particularly to our speakers. And, also, to everyone who will chair today's sessions, as well as those who are on the academic committee and the events team here in Nottingham Trent who worked with us to pull the conference together. Including:
 - Caroline Sumner – the CEO of R3,
 - Frances Coulson – of Wedlake Bell, and a non-executive director on the Insolvency Service Board,
 - Justin Dionne – the Insolvency Service's Chief Technical Officer,
 - Professor Irit Mevorach – from the University of Nottingham, and
 - Nottingham Trent University's own Professors Rebecca Parry & Paula Moffatt.
- With all that said, I've kept you waiting long enough. Thank you for your patience. Now, please enjoy the first of today's sessions. I'll hand over to Caroline Sumner, R3's CEO who is chairing the first session.