

PPF IP FEE RATE CARD

Background

1. The PPF has published guidance on the approach it will take in respect of office holder remuneration (Guidance Note 2 – Insolvency practitioner remuneration).
2. It has always been a principle that we will make an “an assessment of the value delivered to creditors” and we have been flexible to allow for “the basis of office holder fees to be appropriate for the circumstances of the case”.
3. We have noted an escalation in fee rates without a corresponding increase in value delivered to the insolvent estate. This is particularly highlighted in situations where the insolvency is essentially straightforward notwithstanding that a high-profile name or large pension debt may be involved. Accordingly, we introduced a PPF rate card to be run in parallel to our existing guidance.

Rate Card Design

4. The rate card was originally constructed by looking at the rates proposed on a range of assignments where the PPF had to approve fees over a period of 24 months. These included cases run by large international firms and smaller practices. We have applied a standard percentage increment to these rates to reflect general increases that the PPF considers appropriate.
5. In calculating an average rate, the highest and lowest rates were excluded. We also considered where the insolvency was physically located, acknowledging that costs are generally higher in the Greater London area. We always achieve a discount on insolvency practitioners’ proposed standard rates, which is typically between 10% and 20%. Accordingly, we applied a discount of 10% to the average.
6. The rates will be reviewed periodically but not necessarily on an annual basis.

Application

7. The rate card is not designed to replace any existing case related agreements on fees. In addition, all agreed rates for existing panels will remain unchanged.
8. As set out in our guidance, we remain open to “proposals that incorporate different bases of charging for different aspects of the work required” or where there are “exceptional responsibilities [that] fall on the office holder”.
9. The rate card represents the maximum hourly rates that the PPF will be prepared to accept and should not be seen to be the rate that should be charged. Where the maximum rate is being charged, the PPF will require confirmation that the firm does not have a lower standard rate or should be using a panel rate where applicable.
10. We will not look to further discount these rates **but** we will look closely to ensure that value is being obtained for the work charged. In particular, we will have to be happy that

the work is necessary, the right grades of staff are being utilised and the time taken to achieve the result is reasonable.

11. We have sought to use the most widely applied staff grade titles but where the firm cannot mirror their staff grade to the published titles, they should agree differences with the PPF.
12. The rates have been divided into London and Regional rates. In line with other organisations, London rates are applicable to cases where the main operation of the insolvent company is based within the M25 area.
13. The current rates (as at 1 December 2023) are set out in Appendix 1.

Appendix 1

PPF Maximum Rate Card

Effective date: 1 December 2023

	Partner	Director	Assistant Director /Senior Manager	Manager	Assistant manager	Senior Associate	Associate	Cashier	Support
London	665	605	510	405	350	295	220	180	150
Regional	475	425	345	305	265	225	170	100	100