

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 straight forward notwithstanding that a high-profile name or large pension debt may be involved. Accordingly, we have decided to introduce a PPF rate card that we will run in parallel to our existing guidance.

Rate Card Design

4. The rate card has been constructed by looking at the rates proposed on a range of assignments where the PPF has had to approve fees over the last 24 months. These include cases run by large international firms and smaller practices.
5. In calculating an average rate, the highest and lowest rates have been excluded. We have also considered where the insolvency has been 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 have 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 which incorporate a different basis 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 are set out in Appendix 1

Appendix 1

PPF Maximum Rate Card

Effective date: 1 March 2021

	Partner	Director	Assistant Director /Senior Manager	Manager	Assistant manager	Senior Associate	Associate	Cashier	Support
<i>London</i>	605	550	465	370	320	270	200	165	135
<i>Regional</i>	430	385	315	275	240	205	155	90	90