

Swift

The Online Turnaround Times



THE INSTITUTE FOR
TURNAROUND

AUTUMN EDITION



**Andy Leiser Joins
the IFT Board
as Chairman**



**2021 IFT Awards
Shortlist
Announced**



**20 Years of
Turnaround
Excellence**



**The IFT teams up
with the Federation
of Small Businesses**



**IFT Academy Back
to Real Life in
Cambridge**

OCTOBER 2021

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CHAIRMAN'S MESSAGE

Dear Members,

September marks the end of government Covid related support, with the attendant pressures on supply chains and labour shortages. We are just seeing hints of the problems that lie ahead, businesses will have to resolve these challenges without the enhanced level of Covid related Government support, but they don't have to be on their own in this process. Our members and partners are well placed to support UK businesses to grasp turnaround and transformation opportunities in the coming period. It's a critical time for the UK as a nation and the IFT and its members need to be seen to be contributing and creating value.

Why the IFT? We are fortunate to have unparalleled access to a large range of experienced management, top legal and restructuring professionals, plus some of the largest lenders in the UK. In such a crucial period it is all the more important that we use this access to influence events positively and to help minimise any economic damage that may be ahead.

For my part, I am delighted to have been given the opportunity to chair such an excellent organisation, and all the more so because of what is at stake just now.

September also marks the 20th Anniversary of the IFT. The Institute and profession itself have developed over that period, with excellence as a guiding principle. Independent members remain at our core; we currently have 200 independent members and we thrive thanks to our ability to provide a meeting place for independent practitioners, corporate members and stakeholders alike. Over the coming period, we will seek to reflect and promote positive changes in the marketplace. More on the 20th anniversary can be found on page 15. Over recent years, we have enhanced our offering and engagement across the UK, enabled by our first-rate regional committees. I am keen to further develop our presence and membership across the regions, at a time when businesses everywhere will need to engage with the best advice. I also believe there will be an increased emphasis on operational transformation and value creation. We will seek to strengthen the IFT in this area.

I would like to extend huge thanks to Steve Swayne, who served as the Chairman for the past three years and who helped stabilise the IFT and prepare it for the challenges ahead. I wish him the best of luck for the future and look forward to working with him in his capacity as a first-rate fellow and health SIG chair.

I hope you all enjoy reading the following edition, and I look forward to seeing some of you at the IFT Awards this November. May I take this opportunity to wish the shortlisted candidates all good fortune.

Andy Leeser, IFT Chairman



MESSAGE FROM OUTGOING CHAIRMAN

Dear Members,

Earlier this month, I stood down from the IFT board as Chairman. Having served as the IFT's Chair for the last three years, the time is now right for someone new to lead the IFT Board. The IFT executive team and board have strengthened and stabilised and is well-positioned for my successor to carry forward the future developments of the organisation. I would like to extend congratulations to Andy Leeson, a highly qualified board executive who upholds IFT values.

At the end of September, we saw government support come to an end and the period of uncertainty has continued. As recent engagement across the market and changes during the pandemic suggests, we will be entering a new period in which business recovery will come to the fore and I look forward to being part of the leading professional community that will take on the challenges ahead.

September also marked the 20th anniversary of the IFT. On behalf of the IFT, I would like to thank all of our members, fellows and corporate partners, who have continued to represent the IFT and everything we stand for over the past 20 years. As we look to the future, I would like to wish Andy Leeson all the best as he embarks on this new journey as the next IFT Chairman.

I hope you all enjoy reading the following edition, and I look forward to seeing some of you at the IFT Awards this November – best of luck to you all.

Steve Swayne, IFT Chairman



TURNING A CORNER

The IFT partners with the Lending Standards Board to spotlight turnaround benefits and banking standards.

We are pleased to have published our report with the Lending Standards Board (LSB), Turning a corner: Turnaround, signposting, and supporting business customers in difficulty. The LSB is a self-regulatory body for the banking and lending industry, which aims to drive fair customer outcomes within financial services through independent oversight.

The report comprises two parts. The first section is authored by the IFT and focuses on explaining what turnaround is and its benefits to both individual firms and the wider economy. The second section, produced by the LSB, explains the importance of having established governance structures and processes for banks and other lenders in relation to signposting to turnaround.

You can view and download the report on our website [here](#).

The report has been promoted to LSB business networks and has been covered in CCR Magazine, Credit Connect, Credit Strategy and recognised by the APPG for Banking.

Turning a Corner

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Industry opinion



With restrictions starting to relax and the sun beginning to shine, it is possible to think that the worst of the coronavirus pandemic is behind us. Although we all hope this is the case, for many SMEs now is just the beginning of coming to grips with the effects of coronavirus. For thousands of businesses, the financial impact will take months if not years to put right. For some, it may not be possible to return to a healthy financial state and others may not be able to without external expert help.

Because of this challenging financial outlook, it is particularly important that financial services firms understand how to best support their business customers. Part of this support will be to signpost to third parties when it is appropriate to do so, including turnaround professionals. With this in mind, the Institute for Turnaround (IFT) and the Lending Standards Board (LSB) have partnered on a report looking at the important role that turnaround plays in supporting firms in difficulty.

In Focus
Commercial Credit

Turning a corner: SMEs and the coronavirus crisis

Businesses are starting to look to the future, but what characteristics will they need to succeed?



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TURNING A CORNER:
Turnaround, signposting, and supporting business customers in difficulty

A report by The Institute for Turnaround and The Lending Standards Board

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Treat customers fairly. Achieve optimal lending results.
The PrinSIX™ platform transforms digital customer journeys in regulated and risk environments.

Book a Demo

Opinion: Why banks and lenders must signpost turnaround to SMEs

PAUL WOODLEY

We were saddened to learn that Paul Woodley passed away on Sunday 12th September.

We would like to extend our deepest sympathies to Paul's family. Paul worked for many years in the turnaround profession and was at the forefront of creating the Society of Turnaround Professionals, which would later become the IFT. Paul had numerous hands-on roles as CEO and Executive Chairman and was a determined deliverer with a history of adding value for investors. He was committed to his work and how it could impact society for the better. Among his many achievements, one of his proudest was the instrumental role he played in the turnaround of more than 100 care homes for people with learning difficulties.

Paul's commitment to the profession, societal impact and the IFT was extraordinary and he will be sorely missed by all those who knew him. Rest in Peace, Paul and thank you for your contribution to the IFT and turnaround profession.

James Hayward, IFT Independent Member paid tribute by saying:

"I was fortunate enough to work with Paul on a number of assignments in the late 90s whilst at Postern including, memorably, the shortest assignment ever – one day. I attribute this solely to management being intimidated by Paul's 6'8" frame and his incisive mind – the evening after our first day on-site Paul took a call from the CEO confessing to an invoice discounting fraud – game over for that company. Let it be said, Paul certainly had a knack to getting to the root of a company's problems quickly."

He continued,

"Paul was a prodigiously hard worker, but allied with that he had a great sense of humour and a love for fun and the finer things in life. The church was standing room only for his funeral with a huge number of family, friends and colleagues in attendance, and whilst he has sadly been taken from us far too young, we celebrated a life well lived and raised a glass to his memory. A giant of a man in more ways than one. You'll be missed Paul."

CORPORATE PARTNER ANNOUNCEMENT

We'd like to congratulate Kelly Jones and Gary Owens who have been announced as joint MDs at Kingsgate. Kelly leads the Kingsgate private sector turnaround team, whilst Gary leads a team delivering transformation projects in the NHS. Both Gary and Kelly have over 20 years of hands-on operational experience in their sectors and work together to deliver significant, positive change for clients in challenging situations.

Their promotions emphasise Kingsgate's approach of working alongside clients in a straightforward and flexible way.



NEW STARTER



Kya Esnard joined the IFT as the Communications and Public Affairs Executive in June. Prior to joining the IFT, she worked as a Public Affairs Executive at one of the UK's leading political and cultural magazines and is currently in the process of completing her MSc in Corporate Communication and Public Affairs.

Kya works closely with the CEO and the board to help increase understanding of professional turnaround practice and skills. She is responsible for the IFT's communications and public affairs strategy which includes, defining key messages, creating content, stakeholder engagement and managing the IFT's social media profile.



IFT EVENTS

We are delighted to be able to meet you at in-person events once more. We will be carrying on with a mixture of virtual and physical events, and we are working with regional committees to plan an engaging programme for next year.

REGIONAL CONFERENCE: NEW DATES

Please note that we have postponed our virtual regional conferences following feedback from members and partners and to ensure an excellent line up of speakers. The dates for both conferences are below.

IFT Virtual Regional Midlands, West and Wales Conference – 24th November

IFT Virtual Regional North Conference – 30th November

If you are interested in attending these events please contact events@the-ift.com.



IFT AWARDS

Thursday 11th November 2021 - Rosewood London

The IFT Annual Awards Dinner will take place on November 11th at Rosewood London, and we are delighted to be back and celebrating the very best of business turnaround. With unprecedented demand for tickets and tables, we are looking forward to seeing members, partners and stakeholders from across the UK at an evening of celebration and networking.

We'd like to thank all of those submitted an entry to one of our 10 categories. This year's shortlist can be found on page 9.



CREDEBT: WELCOMING OUR 2021 AWARDS EVENT PARTNER

THE IFT IS DELIGHTED TO WELCOME CREDEBT AS OUR 2021 AWARDS EVENT PARTNERS.

Credebt was established in 2009 and has worked on over 1500 cases since its inception. Many instructions being, to generate the maximum amount of working capital possible to assist with successful turnarounds whilst managing all stakeholder requirements.



Milly Camley, IFT CEO said:

"The IFT is thrilled to be working with Credebt as our National Awards partner. Credebt have an outstanding reputation as a delivery partner in turnaround strategies, so it's fitting that they are joining us to celebrate turnaround excellence."



Glen Morgan from Credebt said:

"We have worked with several IFT members over the last 12 years and continue to support the Turnaround Industry. We look forward to catching up with our contacts within the industry and meeting some new ones along the way at this fantastic event."

The awards will take place on November 11th 2021. For more information, please contact Natasha Proctor on NProctor@the-ift.com.

A promotional banner for the IFT Awards 2021. The background is a blurred image of a restaurant interior with lit candles and glassware. A large red diagonal shape on the left contains the text 'IFT AWARDS 2021' and 'WELCOME'. Below this, white text reads 'We are proud to welcome our new event partner **Credebt** to the 2021 IFT Awards.' A blue rectangular box in the center features the 'CREDEBT' logo in large white letters, with 'THE DEBTOR BOOK PROFESSIONALS' in smaller white letters below it. In the bottom right corner, the 'the ift' logo is visible, with 'THE INSTITUTE FOR TURNAROUND' written in small text underneath.

IFT AWARDS 2021

WELCOME

We are proud to welcome our new event partner **Credebt** to the 2021 IFT Awards.

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AWARDS SHORTLIST

In September, Jo Wright, IFT Fellow and Chair of the 2021 IFT Awards judging panel met with fellow judges to assess this year's entries. We would like to thank our superb independent judging panel for their professionalism and commitment to conducting a fair and intensive process.

The IFT is pleased to announce this year's shortlist:

THE 2021 IFT ANNUAL AWARDS SHORTLIST

Independent Adviser of the Year

Glynn Thomas
Sean Sullivan

Turnaround Adviser of the Year

FTI Consulting
Kingsgate
Prompt Business Strategies Ltd
PwC
Teneo
THM Partners LLP

Special Situations PE Provider of the Year

Enact SME Fund
Endless LLP
Rcapital Partners LLP

Special Situations Debt Provider of the Year

Barclays

Legal Advisor of the Year

DLA Piper
Freshfields Bruckhaus Deringer
Gateley Legal
Mayer Brown LLP
Sullivan & Cromwell LLP

Large Company Turnaround of the Year

The Clancy Group
Glynn Thomas and Interpath Advisory (IMI)
Teneo (Mamas & Papas)

SME Turnaround of the Year

Playfair Partnerships (Intimates Lingerie LLP)
Rcapital (Trios Facilities Management Limited)

Community Impact Turnaround of the Year

Education Training Collective (Redcar & Cleveland College)
Rcapital Partners LLP (Archant)

Not for Profit Turnaround of the Year

Education Training Collective (Redcar & Cleveland College)
Kroll (Accessible Transport Group Limited)

Rising Star 2021

Paul Denvers (Enact SME Fund)
Benji Dymant (Teneo)
Natasha Harbinson (Interpath Advisory)
Sophia Hibbert (FTI Consulting)
Edward Irwin (PwC)

Thank you to our events partner

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MEET THE JUDGES

Jo Richardson
Associate, Taiga
Associates Ltd



Steve Keating
Founder and
Managing Partner,
Privet Capital



Steve Bengier
CEO, Accelerus



Peter Charles
Founder and
Managing Director,
Peter Charles



Chair



Jo Wright
Founder and
Managing Director,
De Novo Advisory



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Jo Wright, Chair of the Panel said:
"We have been overwhelmed by the number and quality of submissions this year – we've had a tough job.

We would like to thank all of you who entered."

IFT FELLOWS

IFT FELLOWS DINNER

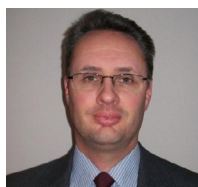
On the 9th of September, the IFT welcomed 14 Fellows and special guest Richard Ballantyne to Granary Square Brasserie. The dinner marked the first time the fellows had met in person since the beginning of the pandemic.

Richard Ballantyne, Chief Executive at British Ports Association, began the evening with a short introduction to the Brexit journey experienced so far by the ports and how the pandemic had impacted them in the past year. A huge thank you to all those who joined us on the evening.



Steve is personally accountable for leading the credit risk function at Barclays. He is a highly motivated banking professional who specialises in corporate turnaround and distressed credit risk management.

He passionately champions turnaround culture and the business support model to the benefit of all stakeholders and has picked up a number of IFT awards alongside his colleagues at Barclays. Steve has long been an active IFT member, contributing as a Fellows Committee member and currently, as a board member. Steve also contributes to a range of events and initiatives.



Andy Davis is a Restructuring Director within Lloyds Banking Group's Specialist Finance Business Support Unit, which focuses on Private Equity backed leveraged transactions.

Andy has broad experience of using interim and turnaround professionals to support and improve the capability of the various boards he works with and is a qualified member of the IFS School of Finance. He regularly contributes to IFT events and has served as a member of the Fellows Committee.

NEW FELLOW ANNOUNCEMENTS

We are delighted to welcome Garry Wilson, Andy Davis and Steve Hanlon as new IFT fellows. We would also like to congratulate Bill Reeves who has been awarded Honorary Fellowship.



Garry is the Managing Partner and one of the three founding members of Endless LLP. He has over 20 years of experience in transforming businesses and private equity. An ambassador for the Endless brand, Garry manages relations with investors and sits on the BVCA committee for the UK and European Capital, having chaired it for three years. He is well known as a leading member of the turnaround community, has been an IFT board member and contributed to numerous IFT events.



The Board recently recognised Bill's record in turnaround and contributor to the development of the IFT by unanimously awarding him an honorary fellowship. An early

member of the Society of Turnaround Professionals, Bill has been active throughout his membership. As well as having served as a board member, Bill has been involved in numerous events across regions and is well-known for generously sharing his time and advice with newer members of the turnaround community. Bill has experience as an Independent Chairman/CEO/CRO, international experience and a proven record of company turnarounds across a wide range of sectors; and extensive experience working with banks (including multi-bank), private equity and professional advisors in financially stressed situations.

BOARDS: FORWARD TO WORK?



Independent IFT Member Annabelle Harling is a Chartered Accountant with a postgrad qualification in Leadership and Mentoring and a fascination with sustainable behaviour change. In addition to leading assignments in the turnaround space, she mentors senior and C-suite individuals around the world.

Recently, I attended a board meeting which was fascinating, but for all the wrong reasons. I was expecting to hear about a major public issue - one directly related to the organisation's objectives, and of concern to key stakeholders. To my surprise, this material problem was absent from the agenda, which instead comprised the usual corporate reporting cycle, very much "business as usual". The individuals involved were intelligent, qualified, and experienced, but the board's focus on internal processes was so strong that no-one was scanning for impacts of this external threat on stakeholders.

Clearly, the quality of board decisions (and agendas) have major influence on value creation (and destruction). Today's distressed businesses have probably endured suboptimal decision-making which has failed

to keep pace with significant external change. Now more than ever, improving the quality of board decision-making is key to creating value – and sustaining it in future.

Board objectives - where is the business actually going?

There are many boards with long-established processes and documentation – but how many can write their critical business outcomes in plain language on half a sheet of A4?

I suspect we come across rather more situations where extensive business plans are prepared for the board but languish unread by the people at the coalface. In reality, the business is going where the majority of employees think it is going – evidenced by their daily behaviour and actions – regardless of the board's intent.

A crystal clear (and brief) set of outcomes not only clarifies the board's thinking but can energise the whole organisation. This clarity also supports rapid pivoting when external circumstances change – the outcomes remain, but the path towards them can flex.

The clearest and most powerful outcomes are likely to be built from a stakeholder viewpoint. Professor Peter Hawkins at Henley Business School suggests an "outside-in, future-back" approach - what value do stakeholders need from the business, right now and in the future? Answering this question from the perspective

of all stakeholders can quickly clarify decisions on issues from customer engagement to supply chain friction or key employee retention.

Perspectives – whose voice is in the boardroom?

Intelligence services such as MI5 have long used the Johari Window model to assess the risk of terrorist attacks, and it holds useful insights for boards post-Covid. You may remember Donald Rumsfeld stating the Johari concept rather clumsily in terms of "known knowns, unknown knowns and unknown unknowns".

Boards and individual directors tend to focus on the known knowns (data, reports etc) and are likely to assume that this data set includes everything they need to know. Frequently the more data and reporting is generated, the more comfortable the board may feel. However, over-focusing on the known knowns can miss significant risks in the business:



Known unknowns – the information known by other people around the business that has not reached the board. How can the board bring those perspectives – e.g., of customers and coalface employees - into the boardroom? This category can also include risks and errors which someone in the business knows about, but isn't willing to own up to, often because the board has left a trail of shot messengers in its wake. If someone has crucial risk-defining information, how can the board ensure they feel safe enough to share it – early enough to make the best board decisions to deal with the problem?

Unknown unknowns – these are risks no-one in the business

knows in advance, but which have a significant impact – Covid fallout and some Brexit implications being topical examples. After the relative stability of the past 40 years, boards need to acknowledge that black swan events can and do happen, from lockdowns and inconveniently parked container ships to chip shortages and floods.

They now need to focus on building resilience into the business to deal with them. Scanning the horizon for threats (and opportunities) is now a key board agenda item.

Not back to work – but forward to work.

This September has marked a watershed with many returning to

offices and exploring new models of hybrid working, joining the 70% of the workforce already attending their usual place of work*. It's an opportunity for boards to capture the positives of navigating the past 18 months, while bringing new perspectives and ways of working to their board meetings and decision-making. Their future value creation depends on it.

Comments or responses to this article are welcome at:

ah@abbeytg.co.uk

*According to the ONS BICS survey for late August 2021 www.ons.gov.uk

IN CONVERSATION WITH SIR PETER HENDY



Sir Peter Hendy
Chair of Network Rail

On the 14th of September, the IFT returned to face-to-face member events with external speaker Sir Peter Hendy. The event marked our first large physical event since the pandemic struck in March 2021, and we were pleased to welcome 45 attendees on the evening.

Rob Lewis, Lead of Mid-Market, Business Restructuring Services at PwC, highlighted the trends currently being seen as we exit the pandemic alongside an overview of current conditions affecting the turnaround and transformation market.

Isabelle Gross, Partner at PwC, provided insights into the multiple challenges for infrastructure in the UK, informed by key PwC projects.

Sir Peter then provided reflections on change and challenges from his time at First Group as Commissioner for Transport for London and currently as Chair of Network Rail and Chair of the London Legacy Development Corporation. He also gave a detailed look into the future of transport, with a particular focus on the impact of Covid within the transport sector and the long-term issues this has posed including, the rise of working from home and reduced office hours.

We would like to thank PwC for hosting the evening at their Embankment office, as we marked the first opportunity for all

members to network with peers, partners and speakers since the start of the pandemic.



Rob Lewis
*Lead of
Mid-Market
Business
Restructuring
Services*



Isabelle Gross
Partner

IFT & FSB JOIN FORCES: GETTING THE MESSAGE OUT TO SMALL BUSINESSES



Need extra support? Experts from the Institute for Turnaround explain what turnaround is and how turnaround can support small businesses.



The IFT has teamed up with the Federation of Small Businesses (FSB) to launch a business lifecycle hub. The hub provides a resource for FSB members on the lifecycle of a business.

The IFT has teamed up with the Federation of Small Businesses (FSB), the UK business organisation representing small and medium-sized businesses – to launch a business lifecycle hub.

The business lifecycle hub will feature on the FSB website as part of a new initiative to support SMEs during each stage of their business journey.

The hub has been arranged into four sections – Starting your business; Scaling up your business; Keeping your business stable and the future and beyond.

Working with Simon and John Playfair at Playfair Partnerships, the IFT provided core content on explaining what happens in a typical turnaround process, how accredited experts can help small businesses, key tips for business and a small business case study.

John Playfair, of Playfair Partnerships said:

“We are delighted to be able to assist the IFT & FSB with their work in providing FSB members with an understanding of some of the turnaround process, what some of the warning signs are to look out for, and where one might go for help. A business turnaround can be a scary experience for many owner-managers, as most won’t have encountered the problems that arise and the many diverse and difficult stresses and strains it puts on an organisation and its people, so it’s important to be able to get help to make a plan and navigate their way through the turnaround.”

The three sections can be viewed on the hub under the business turnaround section.

The hub launched on the FSB website on 30th September, you can visit the hub [here](#).

Or view each individual article using the links below.

[Turnaround: What is it and how can turnaround expertise help?](#)

[Ask the Expert: Turnaround for small businesses](#)

[How turnaround helped a small business with financial management](#)

IFT ACADEMY

THE IFT ACADEMY LEARNING PROGRAMME

The IFT Academy completes its fourth module in Cambridge at the beautiful Downing College.

The programme, led by Shaun O’Callaghan, UK Head of Restructuring and Debt Advisory at Grant Thornton and IFT Fellow, in conjunction with Andrew Dixon, an experienced independent IFT Member, is a 10-month modular programme designed for the next generation of leaders, in the turnaround, transformation and restructuring community. The IFT Academy is open to professionals with a working knowledge of turnaround and transformation. It gives participants a structured grounding and insight into organisational restructuring, drawing on practical engagement with businesses, case studies and accredited IFT members.

The programme offers site visits and hands-on learning from practitioners. During the Pandemic, the IFT Academy has operated virtually. We were delighted to return to physical meetings and visits. The module took place in Cambridge and focussed on Building Confidence with Divergent Stakeholders.

delegates a deep dive into operational turnarounds providing an expert insight via a case study. Ian then joined IFT CEO Milly Camley and the delegates for dinner at Downing College.



Day two featured a look into the expanding use of digital analytics within turnaround situations and how this can be used to provide value. This was followed by a practical exercise looking at the casual dining industry and how to further create value, focusing on local stores in Cambridge.



Day one took place at the Centre for Computing History with Ben Jones of Simmons & Simmons LLP, giving an overview of the new Stakeholder Environment. In addition, IFT Fellow Ian Parker gave

The final module of the 2021 Academy programme will be taking place in November. Bookings for the IFT Academy 2022 will be opening soon. If you are interested in booking or receiving more information on the IFT Academy please contact info@the-ift.com.

THE HEALTH AND SOCIAL CARE LEVY: IS THIS THE DEFINITIVE SOLUTION THE SECTOR IS CRYING OUT FOR?

Rob Fishman and Hywel Phillips of Teneo Restructuring examine the challenges facing the UK elderly care sector.

THE HEALTH AND SOCIAL CARE LEVY

The UK government released its much-anticipated plan for Health and Social Care in September 2021, which includes a new Health and Social Care Levy (the “Levy”) and a cap on an individual’s cost of care. The Levy will increase National Insurance contributions for employees, employers and the self-employed and, amongst other measures, is expected to raise £12bn per year.



However, over the next three years these funds will largely be allocated towards reducing NHS wait lists, leaving just £5.4bn of additional funding over three years for adult social care. Whilst the additional funding is welcome and clearly an attempt to address years of underfunding, it appears insufficient to address key challenges facing the sector, including workforce shortages, rebuilding of occupancy and the unwinding of Covid-19 support.

WORKFORCE SHORTAGES

Recruiting and retaining carers and nurses is a perennial challenge, with over 100,000 vacancies in the sector, and further pressure expected from

a combination of Brexit, Covid-19-related travel restrictions and the requirement of all care home staff to be fully vaccinated by 11 November 2021. With circa seven per cent of employees in the sector currently unvaccinated, there could be a further 40,000 vacancies to fill. Failure to retain staff not only raises operational costs, through increased recruitment, agency and training, but can also lead to a deterioration in the quality of care.

REBUILDING OCCUPANCY

Covid-19 led to occupancy in care home settings decreasing on average by 10 per cent, with greater reductions seen in the Southeast of England. Quality will be the key driver for growth. Therefore, investment in facilities, employees and appropriate infection control measures will be essential. In recent months occupancy has begun to recover, predominantly as a result of historically low death rates, as opposed to a return to pre-pandemic levels of demand for new beds.

UNWINDING OF SUPPORT

Many operators have built cash reserves, benefitting from the Infection Control Fund and other government support schemes, as well as deferrals of HMRC and rent payments.

As these schemes are withdrawn and debts become payable, we expect a number of operators to face liquidity issues in the short to medium term, particularly if wage inflation and occupancy levels continue to be challenging.

WHAT NEXT?

Identifying signs of distress at the

earliest opportunity is essential to allow sufficient time to address issues and drive performance improvement. Experienced interim support can prove invaluable in turnaround situations, by providing sector and situational experience and allowing Management to focus on day-to-day matters.

The best performing and well-capitalised care home operators should have the ability to rebuild occupancy against a backdrop of excess supply, staffing pressures and a requirement to invest in their facilities to attract new residents.

The residential care market is highly fragmented and consolidation is likely as some operators chase occupancy over profit, are unable to agree on payment terms with critical creditors or secure new funding. In their effort to attract new residents, operators must avoid reducing fee rates to levels that do not cover the cost of providing care and meeting other essential costs, including capex.

Additional funding from the Health and Social Care Levy is welcome, but operators await clarification on how the funds will be used and whether the government will continue to provide the financial support that has stabilised the industry over the past 18 months.



Rob Fishman
Senior Managing
Director, Teneo
Restructuring



Hywel Phillips
Director, Teneo
Restructuring

IFT 20TH ANNIVERSARY

The IFT, formerly known as the Society of Turnaround Professionals, was established in September 2001. For 20 years, the IFT has been championing turnaround excellence, providing a network for turnaround experts and high-quality professional development.

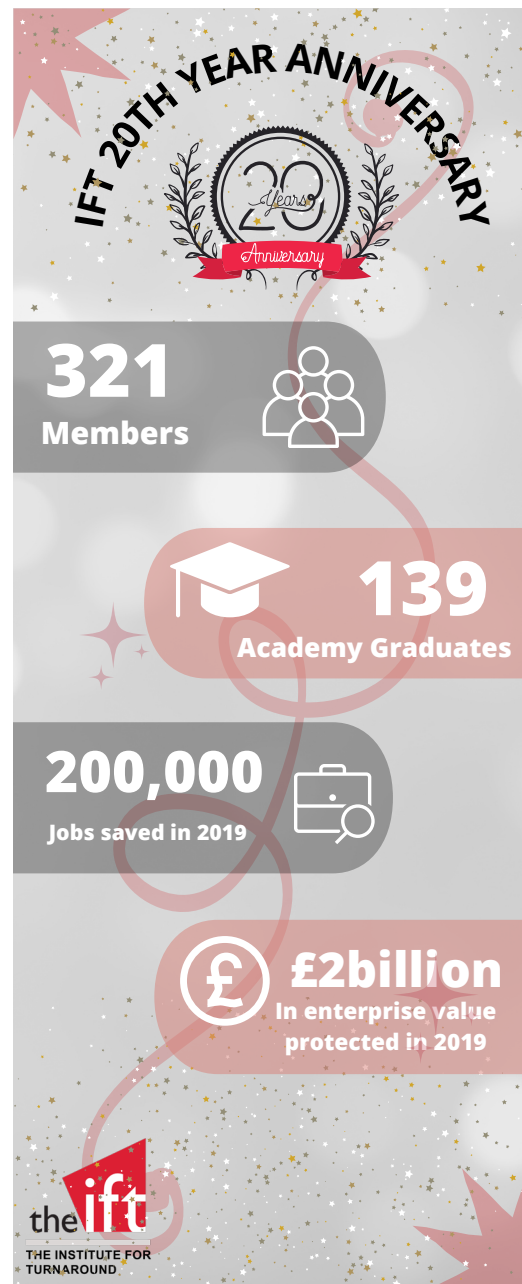
Turnaround professionals are driven by autonomy and challenge in order to deliver transformational change; successful leaders stretch the boundaries of what is achievable and challenge the standard ways of doing things.

Since its inception, the IFT has always welcomed the foremost turnaround professionals. We currently boast an exclusive membership of 321 – 200 of whom are independent advisers, with 35 Fellows and 20 Corporate Partners.

Long standing Fellow Bill Reeves said: *“Time passes quickly when you’re busy, and the IFT has certainly been busy. There is no doubt in my mind that the IFT - by bringing together the key actors in the turnaround space - has delivered considerable benefit to the UK economy over the past 20 years. Given the parlous state of the UK’s finances and the uncertainty facing so many businesses - the IFT and its members are now needed more than ever.”*

As part of our growing work to promote understanding of and engagement with a turnaround, we are promoting our member's contribution to UK plc and society. Our recent societal impact report - highlighted the contribution our members make to people and communities, saving in excess of 200,000 jobs and £2bn in stakeholder value.

Partnering with the world’s leading executive search firm, Korn Ferry, in 2021, we undertook the first-ever study of the skills, traits and drivers of turnaround leaders.



NATIONAL CONFERENCE 2017



IFT AWARDS 2018

IFT 20TH ANNIVERSARY

Possessed with a strong business 'read across', turnaround professionals are able to apply the right levers, and tap into the right skill sets to shore up and achieve transformation at pace. IFT and Korn Ferry Study, 2021.

In recent years the IFT has developed its offering to offer expertise and support to those who are looking to build their careers through our IFT Academy Programme. The IFT has seen 139 graduates from the Academy, and plans are in place for the 2022 programme.

We are now looking to expand on our offering to a wider range of professionals in turnaround by launching our IFT Next Programme. IFT Next is a focused community for those developing their career at a senior level in turnaround, whether as an adviser, lawyer, banker or investor.

Paris Clark-Roden, Senior Manager - Deals, Operational Restructuring at PWC and Co-Chair of the IFT Next working group, said: *"Looking ahead, turnaround support will continue to demand multiple perspectives, resourcefulness, capability and credibility. IFT Next as an initiative, and community is well-positioned to help the future leaders in our profession grow across these themes both now and in the long-term."*

We want IFT Next members to recognise the IFT as their professional home as they pursue a senior career in turnaround and to increase their network, skillset and profile within the market.

Ali White, Associate Director at Kingsgate and Co-Chair of the IFT Next Working Group, said: *"For the next 20 years, I see the IFT and its offering, playing a key role in developing the next generation of resilient and capable turnaround and restructuring professionals, so we are equipped to tackle the challenges of the future. I personally look forward to being a part of the IFT and the professional community it gives me access to as I build my career in turnaround and restructuring."*

In times of change, we look forward to working with members, aspiring members, partners and stakeholders over the next 20 years.



IFT AWARDS 2018

TURNAROUND LEADERS ARE:



Courageous in adversity, quick to gain alignment



Energised by achievement, exceeds expectations, analytical and flexible



Driven by challenge, focused on the best outcomes



NATIONAL CONFERENCE 2018



DELIVERING AT PACE

A Benchmarked Analysis of the Traits, Skills and Drivers of Turnaround Leaders



Korn Ferry and The IFT - Delivering at Pace



Unlocking Value. Saving Jobs:

The Contribution of Turnaround to Business and People



Societal Impact Report

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