

narrator

The Newsletter of The Association of Property and Fixed Charge Receivers

JUNE 2008 | CONFERENCE SUMMARY EDITION

www.nara.org.uk

CONFERENCE SUMMARY EDITION

Mark Stupples: Chairman, **nara**



I was delighted at the fantastic attendance at the 2008 **nara** Spring Conference, held again at the wonderful setting of Haberdashers' Hall, thanks to our own past Chairman, Philip Edwards.

Whilst on the subject of thanks, I know that you will join me on congratulating Moya Somerscales for her organisation of this Conference – I am sure that you appreciate how much work goes in to our events which include Training Days, Training for Trainees as well as the Conference. I would also like to thank our sponsors for the day Jardine Lloyd Thompson and Safe Estates Services Limited. We are very grateful for their continue support.

We commenced the conference with a short audio-visual presentation confirming the rebranding of **nara** as "The Association of Property and Fixed Charge Receivers" which I hope you agree provides more relevance to the area of Insolvency that our membership is involved in. The DVD was commissioned on our behalf by our General Administrator, Dag Smith. This job title does little to convey the impact that Dag has had on the Association. I would wish to convey my personal thanks to Dag for masterminding the rebranding as well as his tireless work to improve our profile amongst the lending sector.

Indeed it was extremely gratifying that the conference was attended by 104 members together with 59 guests, 44 of whom are from the Banks and other lenders. I hope that they all enjoyed the presentations from Stephen Speed, the Inspector General and Agency Chief Executive of The Insolvency Service, and Dennis Turner, Chief Economist of HSBC Bank Plc. Both were illuminating, and illustrated the need for the experience and specialist skills of **nara** Members.

I strongly believe that **nara** has never been more relevant. The role of **nara** is as a membership organisation. It is clear that our Members obtain value from our training,

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nara council 2008-09

CONFERENCE PHOTOS



THANKS TO SPONSORS

nara would like to thank the sponsors of the 2008 Spring Conference:

Jardine Lloyd Thompson Plc
&
Safe Estates Services Ltd

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guidance notes and practice statements, whilst appointors obtain the kite mark of quality that **nara** provides. You will recall that **nara** and the RPR scheme was conceived as a reaction to the unregulated nature of LPA or Fixed Charge Receivership. We were encouraged by the late and greatly missed Desmond Flynn of The Insolvency Service to create the RPR scheme in order to demonstrate that the industry was able to regulate itself. I believe that this has been a success and appointors do, in the main, seek to appoint **nara** Members (RPRs) in the majority of cases.

Immediately prior to the Conference this afternoon our AGM was held. There is both good news and bad. The good news is that Denise Ford of Michael Parkes Surveyors has been elected as Vice Chairman for 2008/9. I know that her energy, enthusiasm and experience will be of great value to **nara** moving forwards.

The bad news is that I have been elected to serve as Chairman for a further 12 months! My focus during that period will be on the Registered Property Receivers Scheme and the relationship of **nara** with the regulatory

body of the Joint Registration Committee. Denise will focus on training and promotion, working closely with Dag and Moya.

I finished my formal introduction to the conference with 2 exhortations: one to the JRC; and the other to **nara** Members.

Firstly to the JRC:

On behalf of **nara** Members, we expect the relationship between us to develop rapidly over the next 12 months to ensure that we have in place a new, robust and rigorous monitoring process. The returns for 2007 show our Members being engaged in relatively few new formal appointments. However, it is clear that this number has already been exceeded in the first 4 months of 2008, and the trend is bound to increase and possibly even accelerate over the remainder of the year.

nara will work with JRC to ensure that the new process will continue to assure appointors that the RPR scheme remains the kite mark of quality and experience.

We are also working with JRC to ensure that the syllabus and examination of the RPR

scheme is relevant and challenging as we are committed to the longevity of the scheme. The **nara** "Training for Trainees" will again be held in September, and we are hopeful that there will be more candidates for the next series of exams.

Finally, to **nara** Members:

This is your Association and it will only survive and strengthen with your active participation. Whilst appreciating that Members anticipate being even more busy in the business of taking appointments and achieving success for appointors, there is a need for fresh blood on Council particularly from experienced RPRs. I would, therefore, encourage Members to contact Dag and put themselves forward for Council so that **nara**, The Association of Property and Fixed Charge Receivers, remains relevant and vibrant for the Membership as a whole and for the lending sector.

Thank You

*Mark Stupples, Chariman, **nara***

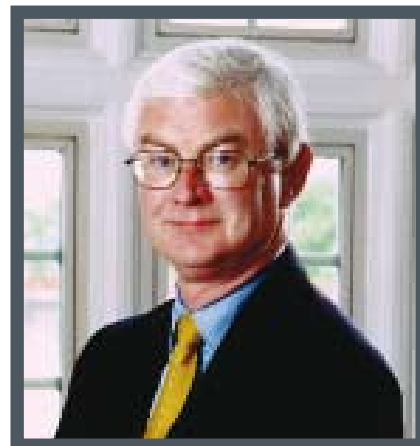
Claim your tax relief!!

Members are advised that, with effect from 6th April 2007, HM Revenue & Customs have agreed that income tax relief in respect of annual subscriptions to **nara** has been approved under section 344 of the Income Tax (Earnings and Pensions Act) 2003.

Our understanding is that the name "Association of Property and Fixed Charge Receivers" will be included in the HMRC List of Approved Bodies later in the year. If members wish to claim a tax deduction for their annual premium before that list is updated, they should explain to their local tax inspector that it is a recent addition, and quote reference CB/T1644/08/2008/JEM.

Have you thought that what you are now reading might be of interest to someone else?

If so we can add the name and contact details of the "someone" to the **nara** mailing list. An e-mail to the **nara** office (dag@nara.org.uk) advising us of the name and address of the requested recipient(s) is all that is required.



Desmond Flynn

It is with great sadness that we announce the death of Desmond Flynn, who, as Inspector General of the Insolvency Service, was a great supporter of **nara**, and, indeed, addressed our conference in May last year. Desmond retired from the Insolvency Service last year, and leaves a wife, daughter and son.

Congratulations!

nara is pleased to announce that the following members passed their RPR exams this year:

Graham Clarke, UHY Hacker Young
Philip Manson, Stevens Scanlan
Daniel Richardson, UHY Hacker Young
Andrew Vaughan, Edward Symmons LLP
John Wills, GVA Grimley
Dorian Wragg, Arlington Greene

Congratulations to all concerned!

RPR Exam

With apologies to all those who have enquired about the RPR exam in 2008, we are at last able to provide some details released from the RICS / JRC but unfortunately not all.

For this year there will be an opportunity to sit the written part of the exam some time in either September or October with part two, the Peer Interview, taking place in early 2009. While this time scale would only provide potential applicants with between two or three months of study, for those who are almost already to sit the exam, registration should be received by the IPA before August.

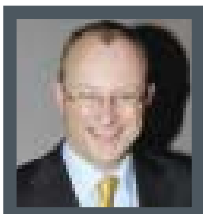
From next year, and thereafter, the exam will take place in the month of June and the Peer Interview in the Autumn. Registration for the 2009 exam must be received by the IPA by 1 April 2009.

An electronic version of the "Your Guide to becoming a Registered Property Receiver", which incorporates the exam syllabus, a past exam paper and registration form, is available from the Faculties and Forums Department of the RICS 020 7222 7000.

When fuller details are available to **nara**, we will advise members directly.

Developments in insolvency policy

Speaker: Stephen Speed, The Insolvency Service



Stephen Speed is Chief Executive and Inspector General of the Insolvency Service, the government body responsible for both regulating insolvency practice and developing policy. He has been in the role for six months.

Stephen began by paying tribute to his predecessor at the Insolvency Service, Desmond Flynn, who sadly passed away six weeks before the May conference. Desmond had supported **nara** since its inception and played a key role in establishing the RPR scheme.

Following an overview of the Service's role in helping to maintain free and open markets, Stephen concentrated on its work in policy development.

"Being users of the legislative framework in addition to having policy responsibility for it gives us a huge insight into how the legislation is working on the ground, and gives us early sight of problems and opportunities," he noted.

Once it has identified an issue, the Service consults with stakeholders including **nara** before making policy recommendations to government. For example, the Service's policy unit is currently looking at changes in social attitudes to debt, and their consequences for personal insolvency procedures.

The last significant change to insolvency legislation came with the Enterprise Act 2002. Economic conditions have changed considerably in the years since, and the Insolvency Service is scrutinising the effects of the Act and evaluating whether all its provisions are still fit for purpose.

The Act was intended to help rescue companies before they entered administration, but the proportion of rescues has actually fallen. The dramatic increase in companies entering Administration might mean that a larger number of companies are being rescued, however.

The increase in the number of companies entering Administration since the Act's introduction is unlikely to be a direct result of the legislation, Stephen explained.

Meanwhile, the number of companies entering voluntary liquidation has declined dramatically, leading Stephen to wonder whether there is still a demand for this process.

The Service also responds to problems arising in policy areas, such as the House of Lords decision in the Leyland Daf case in 2005 that withdrew the rights of liquidators to take their fees from floating charge assets. Then, the necessary changes were implemented in the Companies Act 2006.

Globalisation presents challenges to the legal framework, including a greater number of complex cross-border insolvencies. The Insolvency Service represents UK interests in international forums, such as the European Commission, United Nations and World Bank.

The Service scrutinises insolvency policies in other countries to see whether they can improve domestic policy. There have been calls for policy to be based on the US Chapter 11 regime, but Stephen argued that differences in culture and in financing structures mean that this regime would not be appropriate for the UK.

Stephen finished by mentioning some of the plans currently in the Service's policy pipeline. One change currently under review is to remove the requirement for paper documents under the Insolvency Act.

"Notices, reports to creditors, and progress reports all have to be sent by post to conform with legislation, even if both parties would prefer to communicate by email," he noted. "We are working on proposals to modernise insolvency rules to allow more flexibility to practitioners and allow for greater choice in their means of communication."

A new identity for NARA!

nara has a new name - the Association of Property and Fixed Charge Receivers.

nara



The new identity was unveiled by nara chairman Mark Stupples, at the annual conference, held at Haberdashers Hall, London, in

May. The conference was attended by over 100 members along with 59 invited guests, mainly from banks and other lenders.

The rebranding is intended to help consolidate the association's position within a rapidly changing fixed-charge and property marketplace. "I hope you agree it provides much more relevance to the area of insolvency that our membership is involved in," Mark said.

Although the old name, the "Non-Administrative Receivers Association", will no longer be used, the association will still be known as nara. This allows the association to build on the growing awareness among lenders and government of what nara stands for.

With the credit crunch causing paralysis in the commercial property market, nara has never been so relevant. The association provides real value for its members, and for their appointors. "It's clear our members obtain value from our training, guidance notes and practice statements, while appointors obtain the kitemark of quality that nara provides," Mark noted.

nara is rolling out its new brand with a direct marketing campaign to a wide range of potential appointors. Mark also urged members to use the new branding in their own marketing.

"It's your branding and your association - please use it in your marketing material," he said. "The new name is more relevant, and it's up to you to use it."

The re-branding reflects how far nara has come since it was established in 1995 in a reaction to the unregulated nature of fixed-charge receivership. The association launched the

registered property receivers (RPR) scheme in 1999 and, two years later, secured official recognition from government for the registration scheme. In 2006, nara launched annual training courses for receivership trainees to complement its existing CPD training programmes.

The developments will continue following the re-branding. The next major step will be the introduction of nara's new self-certification and monitoring compliance scheme.

"This is your association" Mark continued, "Whilst appreciating that members anticipate being even busier in the immediate future, your active participation with nara is not only welcomed, but sought. Similarly our very positive relationship with all the lending institutions, including our awareness-raising and bespoke training, is becoming stronger. 'Vibrant' and 'relevant' are two words that today might best summarise The Association of Property and Fixed Charge Receivers"

Promotional Leaflets Available

The new nara promotional leaflets are now available to members. As before, they outline the benefits to lenders of using a nara member, and they can be overprinted with your company details for the following price:

50 leaflets, overprinted: £25

100 leaflets, overprinted: £35

Orders of over 100: Please confirm with Dag

All enquiries and orders should be sent to Dag Smith - dag@nara.org.uk

nara

The Association of Property and Fixed Charge Receivers

A professional approach to LPA fixed charge receivership

The UK economy at a crossroads

Speaker: Dennis Turner, HSBC



“16 years of Growth – but was it the wrong kind?”

Dennis began his characteristically rambunctious talk by asking the audience to cast their minds back to April 1997. If someone had told you then that Labour would win three successive elections and deliver the longest sustained growth since records began, with the best combination of inflation and interest rates since 1945 and the lowest unemployment since the early 1970s, you would probably have said you didn't believe a word of it.

“The story is not quite as good as they say it is and they do claim rather too much credit for themselves, but it's not a bad story,” Dennis said. Even as the economy looks set for a downturn, we are in better shape to weather the effects than in previous economic cycles.

We owe our current stability to minimalist economic management - the government just tries to keep inflation, interest rates and exchange rates at stable levels, and lets businesses get on with actually doing business.

Marking the government's scorecard, Dennis gave Labour 9½ / 10 for both inflation and interest rates, and 6½ / 10 for exchange rates. Favourable exchange rates for exporters have been sacrificed to maintain low interest rates which benefit more people, he noted.

Despite the credit crunch and worries about a recession, UK GDP grew in the first quarter of the year - not by much, but it was still the 63rd successive quarter of positive growth. Over that period, the UK economy has enjoyed compound growth of 52%, compared with just 29% across the Euro zone.

But if the economy is so good, why are people nervous? The short answer is that it's been the wrong sort of growth.

Consumer spending accounted for two thirds of GDP last year, and has been growing at a faster rate than the economy as a whole. Net personal debt now totals 160% of personal income.

Because of this debt mountain and other pressures, consumer spending is unlikely to continue to grow at the same pace. Some growth is likely thanks to older consumers with few debts but, if the good times are to continue, we'll need to look elsewhere for growth.

The public sector is growing, but cannot make up for the fall in consumer spending without causing longer-term problems.

An investment-led recovery is also unlikely. While corporate Britain is in good shape with robust profitability, there's been very little new investment.

The final possibility is an export-led recovery. The global economy continues to grow, but growth is driven by the large emerging economies to which UK exports are weak. Exchange rates are also against us.

UK growth is likely to fall from last year's 3%, but still remain positive. “Our view is if we hit 1% this year, it'll be a good year,” Dennis said.

The economy is still fundamentally sound, he emphasised.

We are still exposed to global factors such as the credit crunch and record oil prices, but we are well placed to manage these.

The big risk is what Dennis called “Severe Acute Recessionary Syndrome”. “This is a purely mental condition”, he noted – “If enough people believe that there's going to be a recession, there will be one”.

In the following question and answer session, Dennis was asked for his views on the property market. While he admitted he was not a property expert, he said he expected both falling demand and prices in most markets. He did not subscribe to the doomsday scenario, however, predicting that the likely readjustment will not be as bad as that of the early 1990s.

Designatory Letters

Members are reminded that they can use the designatory letters (FNARA or MNARA) and also that they can include the nara logo on their correspondence. Anyone requiring the nara logo for this purpose, just email moya@nara.org.uk, and it will be forwarded to you.



Monique Bonney of Bank of Ireland and John Baker of Derbyshire Building Society



Denise Ford of Michael Parkes Surveyors Ltd, Vice-Chair of NARA handing Dorian Wragg from Arlington Greene his Exam Certificate.



Ben Moon of AtisReal with Paul Walker of Deutsche Bank AG and Douglas Shand of Ahli United Bank (UK) Plc.



John Holliday of Lloyds TSB with Alan Murdoch of Stevens Scanlan.



Martin Arnold of Wedlake Bell receiving his raffle prize from Damien Frost of Safe Estates Services Ltd.



David Kerr, Chief Executive of the IPA



Mark Stupples, of King Sturge (Chairman, NARA) with Stuart Jones of Savills and Stephen Skinner of Edward Symmons LLP



Colin Jennings of Edward Symmons LLP, Simon Riggall of Colliers CRE and Mike Harman of HSBC Bank Plc.



Guest Speaker, Stephen Speed, Inspector General and Agency Chief Executive of The INSOLVENCY SERVICE



Guest Speaker, Dennis Turner, Chief Economist of HSBC



John Arkwright of John Arkwright & Co, Philip Long of PKF (UK) LLP, and Peter Dove of Greenpark Securities LLP.

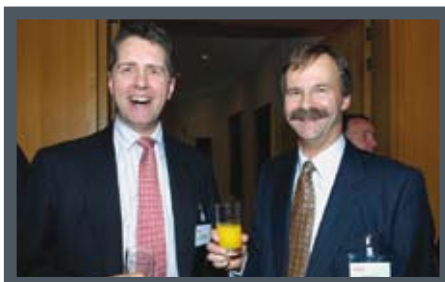


Jo Atkin, Editor: Mortgage Finance Gazette with Sarah Houghton, Editor: Recovery Magazine.





Thomas Carr of Percy Howes Commercial with Chris Thorne of AtisReal UK



Mark Downham of Aitchesons Rafferty with new member, Philip Moore



Richard Lawton of Edward Symmons LLP with Simon Thomas of Berwin Leighton Paisner LLP



Stewart Martin of Savills with Graham Tarbox of The Estate Office



Peter Rowlinson of Stevens Scanlan with Colin Richman of Teacher Stern.



Ben Tobin of Strettons with James Hewetson of Matthews & Goodman.

Biographical details on the website!

Members are reminded that they can incorporate a very short promotional biography against their individual entry on the Practitioner Locator section of the nara website. Should you wish to have a biographical note against your entry, it should be a maximum of 40 words, and can be e-mailed to the nara office (moya@nara.org.uk) for inclusion.

Changing your details?

Members, and other readers of narator are reminded that any change in contact details should be notified to the nara office as soon as possible. Other than making sure this newsletter and other mailings are received, this is particularly important for members as any e-mail alert may be lost and any lender enquiry (yes, we do receive them) may be provided with the incorrect personal details.

As a receiver, are you confident that you have a clear understanding of your insurance position?

Existing insurances may contain a number of defects that could result in an uninsured loss, leaving you exposed.

For certainty and peace of mind we recommend a Receiver's Policy providing automatic cover.

For advice on a Receiver's policy, utilising existing insurance cover or making bespoke arrangements.

Contact Ed Brittain or Tim Bevan

0121 626 7852



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DATES FOR YOUR DIARY

Don't forget to note the following dates in your diary:

13th November 2008 : Huddersfield
NARA SEMINAR DAY

27th November 2008 : London
NARA SEMINAR DAY

25th September 2008 : London
TRAINEE TRAINING

14th May 2009 : London
SPRING CONFERENCE 2009

Further details regarding speakers at these events, together with registration forms will be posted on the **nara** website: www.nara.org.uk as they become available.

nara Council 2008-9

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Nick O'Reilly – the new president of R3

Nick O'Reilly, NARA member and Chairman of the Joint Registration Council, was appointed President of R3, The Association of Business Recovery Professionals on Friday April 18th 2008. R3 is the leading trade body for Insolvency Practitioners, and comments on both personal and corporate insolvency issues. Nick's arrival coincides with the continued fallout from the global credit crunch and concerns over the scale of personal debt in the UK.