

Restructuring plans: where are we a year on?

Last autumn, we considered the significant developments of summer 2025 for the UK's Part 26A restructuring plan and the anticipated trajectory of the tool (*Restructuring plans: where next?*).

As we noted, there was at the time a feeling in some quarters that these developments had been unhelpful for the competitiveness of the restructuring plan as compared with options in other jurisdictions. We struck a more optimistic tone, noting that the restructuring plan remained a powerful tool and suggesting that it would continue to play a key role in strategic options planning, whether as Plan A or as an effective stick or fallback option, even if not ultimately used.

We return to the subject a year later to see how the restructuring plan has continued to develop. Our key observations from this past year are as follows:

1. Fewer plans

Six restructuring plans have been launched¹ in the 12 months to 30 September 2026, compared with 13 cases in the 12 months to 30 September 2025 and 11 cases in the 12 months to 30 September 2024. Although a small data set, this does point to some reduced use of the restructuring plan following the developments in summer 2025.

All of the restructuring plans launched in the most recent 12 months were sanctioned – in spite of creditor opposition at one or both court hearings in three of those cases – and none was the subject of an appeal². By contrast, four plans were unsuccessful³ in the 12 months to 30 September 2025 and two were unsuccessful in the 12 months to 30 September 2024.

This could suggest that, following the developments in summer 2025, there is a better sense among practitioners of where the court stands and what is and is not likely to be sanctioned. It may be, however, that companies and their advisers have become more cautious in their use of the tool or are pursuing other sorts of transactions, such as liability management exercises, schemes of arrangement or security enforcements.

Of course, what the data and case law do not tell us is the number of cases where a restructuring plan still performed a valuable role, even if this was as a stick to force a consensual deal.

2. Clear use cases

Leaving aside the second Waldorf restructuring, the remaining five restructuring plans launched in the past 12 months – plus the final plan of the prior 12 months – fall into two specific use cases where the guardrails within which the court expects practitioners to operate are becoming increasingly clear:

¹ For these purposes, we have treated a plan as having been “launched” when the practice statement letter is posted.

² HMRC sought but was denied permission to appeal the Waldorf restructuring plan to the Court of Appeal. The company's planned appeal to the Supreme Court of its first restructuring plans was dropped after launch of the second set of restructuring plans.

³ For these purposes, we have treated a restructuring plan as being “unsuccessful” where it is not sanctioned, where a decision to sanction was reversed by the Court of Appeal, or where the restructuring plan was withdrawn prior to the sanction hearing.

- **Leasehold restructuring:** three restructuring plans have implemented a restructuring of leasehold liabilities, notwithstanding some landlord opposition. This is not a new use case, but the parameters for such restructuring plans have become more settled, in particular with greater focus on upside-sharing mechanics and further clarity on evidential requirements.
- **Transatlantic forum shopping:** in Fossil and New Fortress Energy, we have seen two US companies use restructuring plans, combined with recognition in the US under Chapter 15, to implement financial restructurings which offered benefits that were not readily available in the US, such as avoiding a headcount for voting; more straightforward retention of a listing; or a more flexible fallback position if a consensual plan could not be achieved. Argo Blockchain, an English company but listed on Nasdaq, also chose to implement its restructuring through a restructuring plan for similar reasons. There has been excitement among certain London-based practitioners that these cases could provide a roadmap for further transatlantic plans. Significantly, a common feature of the cases so far has been the high level of creditor support; it remains to be seen how a US court would approach recognition in the face of formal creditor opposition.

3. Court guidance

The new Practice Statement for restructuring plans and schemes of arrangement, published in September 2025, applies to cases heard on or after 1 January 2026. This, together with developments which inevitably flow from further use of the tool, have led to greater clarity around practice and procedure. Key practical developments and other recent guidance from the court include:

- **Time of filing:** under the new Practice Statement, to address the practice that was building up of booking court time when the transaction remained at a speculative stage (effectively, leaving towels on sunbeds), court dates can only be booked once the claim form has been filed. There was a concern that this would lead to plans and schemes becoming public at a much earlier stage, causing damage to businesses at a time when they were seeking to finalise restructuring solutions. This has generally been addressed, however, by applying to the court for a confidentiality or anonymity order at the time of filing the claim form; the court has been pragmatic at granting these orders on the papers, albeit the process requires careful management. Companies still need to consider whether they need any waivers under their finance documents or other material contracts, as filing a claim form may trigger a default.
- **Evidence:**
 - **Timetable:** the explanatory statement and supporting evidence (including director witness statements and expert reports) now need to be filed at court and made available to creditors at least two weeks prior to the convening hearing. The practice statement does not stipulate what is required to make documents available to creditors, but practice so far has been to upload them onto the creditor portal, with documents still being physically posted to creditors after the convening hearing. This change has brought forward the point at which the explanatory statement evidence needs to be finalised, as previously it was common for changes to be made until shortly before the convening hearing. Creditors now also have full details of the proposed transaction at an earlier stage. The court has also continued to emphasise there must be sufficient time in the timetable for the court to assimilate the material, and timetables should reflect that the court may not provide immediate judgment after the sanction hearing.
 - **Content:** the volume of evidence required has increased, largely to assist the court in assessing the question of fair allocation identified by the Court of Appeal:
 - An “**allocation of benefits report**” has become a common feature. This report quantifies the contributions made, and benefits received, by each class to the restructuring, and is used to justify the allocation of value.

Although reservations have been expressed about their “*inherent limitations*”⁴ (in particular, how to ascribe value to the different sorts of contributions made by different creditors, including those providing new money versus those writing off debt), and although there may be certain cases where it is challenging to see how such report adds value, the court has nevertheless stated that such reports can provide “*considerable assistance*”⁵ and have provided guidance on methodology. The court has indicated that the starting point for such reports should be to value creditors’ contributions by reference to the estimated recovery on their claims in the relevant alternative, rather than by reference to the nominal amounts of their claims. To address the dicta from Petrofac that out-of-the-money creditors should not be excluded from the benefits of the restructuring, some allowance must also be made for the fact that the compromise of out of the money claims that would receive no recovery in the relevant alternative may still be said to make some contribution. For example, in TG Jones, the allocation of benefits report treated out of the money claims as having contributed on a pro rata basis to the post-plan equity value.

- In the most recent cases, we have seen greater focus on whether there is a reasonable prospect of the plan successfully achieving its purpose. The court will take several factors into account, but where business turnaround is the driver, plan proponents should be prepared to submit [specific evidence as to the nature of the business plan and how it will be implemented](#).
- [Engagement with creditors](#): while negotiation is not a pre-condition, the Court of Appeal, and subsequently the Practice Statement, make clear the importance of engagement with creditors. This has been a key focus of the court in the past year. In Waldorf’s second restructuring plan, the court commended the extensive engagement with creditors, including the use of mediation, which the court sought to encourage in future cases (while criticising HMRC’s refusal to participate). It was already clear that engagement need not be limited to the pre-launch period, and in TG Jones the court adopted arguably its most flexible approach to date. At the convening hearing the judge encouraged continued negotiations and made provision for negotiated amendments to the plan. This resulted in material improvements to the plans for the benefit of plan creditors being made just over 24 hours before the creditors’ meetings, with British Land withdrawing its opposition and the court acknowledging the constructive role that negotiation can play.
- [HMRC](#): the second Waldorf restructuring plan and HMRC’s unsuccessful request for permission to appeal have also clarified that it is possible to exercise cross-class cramdown to impose a deal on HMRC. The case also saw the court following the approach taken by the Court of Appeal in Petrofac to the no worse off test, in that it is confined to the creditor’s existing rights as a creditor that are being compromised by the plan, and not wider rights, interests or liabilities. This led the court to conclude that the loss that HMRC would face by the use of tax losses if the plan were sanctioned could not be taken into account in the assessment of the no worse off test, as the tax losses were not part of the rights being compromised by the plan.

4. Concluding thoughts

Overall, it has been a less eventful year for restructuring plans. That is not necessarily a negative though: after the high-profile failures of Petrofac and the first Waldorf plan in summer 2025, practitioners were craving greater predictability.

Through the cases in the past 12 months, we have started to see the dicta from the trilogy of Court of Appeal cases, particularly the focus on allocations of the benefits of the restructuring and creditor engagement, start to be translated into practical guidance and use cases. As more cases come through, much as with schemes of arrangement in the last decade, these guardrails and their application in different use cases will continue to become clearer.

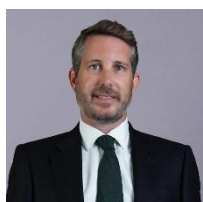
⁴ Poundland [72].

⁵ TG Jones [186].

From implementation of a multi-party settlement to achieve a sale in Waldorf, to the comprehensive restructuring of retailers' operations in the leasehold restructuring plans, to the financial restructurings of US companies, the cases have also served as a reminder of the versatility and potential of the restructuring plan. Looking ahead, Thames Water is expected to launch further interim restructuring plans to extend debt maturities and provide waivers while the company negotiates with Ofwat and the government, which could result in further direction from the court.

While it is currently unclear whether 2027 will see an uptick in the number of plans to pre-Petrofac levels, our expectation remains that the restructuring plan will continue to be considered often, whether as Plan A or as a stick or fallback option, even if it does not end up being used in every case in which it is considered. We are also of the view that the healthy benchmarking of restructuring plans against other available processes in Europe, the US and other jurisdictions is a good thing and expect the use of parallel processes and cooperation to continue to improve.

Contact



Ian Johnson
Partner
T: 020 7090 4732
E: ian.johnson@slaughterandmay.com



Claire Cooke
Partner
T: 020 7090 4217
E: claire.cooke@slaughterandmay.com



Megan Sandler
Partner
T: 020 7090 3500
E: megan.sandler@slaughterandmay.com



Tim Newey
Partner
T: 020 7090 5405
E: tim.newey@slaughterandmay.com



Ed Couzens
Partner
T: 020 7090 5912
E: edward.couzens@Slaughterandmay.com



Sarah Paterson
Senior Consultant
T: 020 7090 3154
E: sarah.paterson@slaughterandmay.com



Evelyn Fleming
Associate
T: 020 7090 4531
E: evelyn.fleming@Slaughterandmay.com



Megan Sparber
Knowledge Counsel
T: 020 7090 5167
E: megan.sparber@slaughterandmay.com

London

T +44 (0)20 7600 1200
F +44 (0)20 7090 5000

Brussels

T +32 (0)2 737 94 00
F +32 (0)2 737 94 01

Hong Kong

T +852 2521 0551
F +852 2845 2125

Beijing

T +86 10 5965 0600
F +86 10 5965 0650

Published to provide general information and not as legal advice. © Slaughter and May, 2026.
For further information, please speak to your usual Slaughter and May contact.

www.slaughterandmay.com