



# Work and Pensions Committee

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From the Chair

5 December 2018

Lesley Titcomb  
Chief Executive  
The Pensions Regulator  
Napier House, Trafalgar Place  
Brighton  
BN1 4DW

Dear Lesley,

## **Johnston Press**

Thank you for your letter of 3 December.

The PPF have raised with us very serious concerns about the circumstances of this deal. In particular, they have seen no evidence that there was a “burning platform” need for a rushed pre-pack administration. I welcome your focus on the fact that a deficit reduction payment of £800,000 was due to be made to the pension scheme two days after administrators were appointed.

Your letter explains that you are considering whether further investigation of the rationale for the pre-pack is warranted. Presumably this would inform any decision about whether to use your anti-avoidance powers.

1. In the light of tPR’s commitment to a “clearer, quicker and tougher” approach to regulation, when can we expect to see your decision about whether action is needed?

I understand from your letter that the use of your powers would be dependent on showing that the purchasing parties are ‘associated or connected’ with the scheme’s employer. Your letter explains that “action to issue a Contribution Notice to certain purchasers in a pre-pack situation may not be possible if they do not meet the ‘associated or connected’ test.”

2. Do the purchasers of Johnston Press meet the ‘associated or connected’ test?
3. In cases where purchasers are not ‘associated or connected’ parties under the Insolvency Act 1986, are there any regulatory options open to you?
  - a. If not, is this a gap in legislation which ought to be rectified?

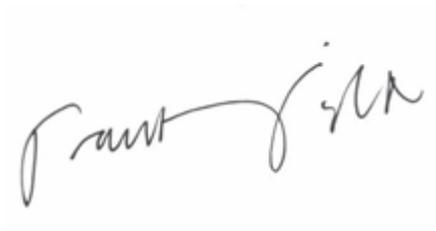
Your letter explains that neither tPr nor the PPF have a power to prevent a pre-pack taking place. This means that, if you consider that there has been a misuse of the pre-pack process, your anti-avoidance powers can only be used after the fact.

4. Is there a case for tPR to have a power to veto or pause a pre-pack administration if it has concerns that the process is being misused? Could this work in practice?
  - a. Your letter notes that the absence of a veto means that “pre-packs can happen quickly”. How long would tPR need to reach a decision?

Your letter also says that you are standing ready to assist with a government review of pre-packs. Your team have confirmed that this refers to a review announced by the Insolvency Service almost a year ago.<sup>1</sup>

5. Would you be prepared to share with us any representations you have already made to the Insolvency Service in the course of its review?

Best wishes and I look forward to hearing from you,

A handwritten signature in black ink, appearing to read 'Frank Field', enclosed in a thin black rectangular border.

**Rt Hon Frank Field MP**  
**Chair**

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<sup>1</sup> Gov.uk, [Review of the pre-pack industry measures](#), 12 December