



# Work and Pensions Committee

14 Tothill Street, London SW1H 9NB

Tel 020 7219 5831 Email [workpencom@parliament.uk](mailto:workpencom@parliament.uk) Website [www.parliament.uk/workpencom](http://www.parliament.uk/workpencom)

From the Chair

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

18 June 2018

Dear Lesley

## TPR investigation into Carillion

Thank you for your letter on 11 June providing an update on TPR's investigation into Carillion.<sup>1</sup> It is welcome news to see that you are looking at your powers to issue a contribution notice against individual directors.

Whilst we still do not know at this stage how much the Pension Protection Fund will receive as a result of the liquidation, initial estimates suggest it will be a paltry amount. The National Audit Office have suggested that as little as £44 million will be available to distribute to creditors, with the PPF receiving a share of that amount.<sup>2</sup> Ernst & Young, commissioned by Carillion to model recoveries in the eventuality of a liquidation back in December 2017, suggested the PPF could get as little as £12.6 million.

By contrast, our analysis of Carillion's annual accounts suggests that over the past decade, Carillion's six main directors pocketed nearly £17 million in total pay. Whilst such amounts will not go far in offsetting the largest bill the PPF have ever picked up, estimated at £800 million, it is surely the case that these directors have benefitted disproportionately at the expense of the pension schemes they should have been funding. I hope that you will consider this when considering the appropriate level of any contribution notices issued against these directors.

	Richard Adam	Richard Howson	Philip Green	Keith Cochrane	Alison Horner	Andrew Dougal	Total
<b>Total Pay<sup>3</sup> 2007-16</b>	£8,302,000	£7,209,000	£709,000	£89,000	£182,000	£316,000	£16,807,000

<sup>1</sup> [Letter from TPR to the Chairs, 11 June 2018](#)

<sup>2</sup> National Audit Office, [Investigation into the government's handling of the collapse of Carillion](#), p49

<sup>3</sup> Total pay includes all salary, benefits, bonuses and pension pay

Best wishes

A handwritten signature in black ink, appearing to read 'Frank Field', written in a cursive style.

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