



Rt Hon Frank Field MP  
Work & Pensions Committee  
House of Commons  
Westminster  
SW1A 0AA

Rachel Reeves MP  
Business, Energy and Industrial Strategy Committee  
House of Commons  
Westminster  
SW1A 0AA

23 February 2018

Dear Mr Field and Ms Reeves,

### **Carillion Inquiry**

I write in response to your letter of 19 February 2018 addressed to Mr Kevin Ellis. We are keen to assist the Joint Committee with their inquiry and have referred to the first witness statement of Mr Keith Cochrane dated 15 January 2018 which was filed at the High Court of Justice in support of the winding up application for Carillion Plc and some of its subsidiary companies, and the appointment of a liquidator. Paragraph 46 of that witness statement refers to contingency planning in relation to Carillion Plc and to PricewaterhouseCoopers LLP, UK firm ('PwC').

In our letter of 2 February 2018 at Appendix 3 we refer to services provided to the Cabinet Office (September 2017 to date). The fees which PwC received for services provided to the Cabinet Office are also set out at Appendix 3 (£625,000 net).

For the period 5 January 2018 to 15 January 2018, PwC provided contingency planning services jointly to Carillion Plc and the Cabinet Office. In relation to these services, PwC billed Carillion Plc £230,000 (net) by way of retainer and expenses. This amount was paid by Carillion Plc on 12 January 2018. It was not included in our letter of 2 February 2018 as it was beyond the cut off point of 31 December 2017 which we used when checking our systems for the purposes of responding to the Committee in the short time available.

For completeness, in Appendix 2 of our letter of 2 February 2018, we refer to fees of £975,000 for services provided to Carillion (DB) Pension Trust. In January and February 2018, PwC billed a further £453,000 in fees which are unpaid. These fees relate to services provided since 2 December 2017 and were reported on a weekly basis to the Carillion (DB) Pension Scheme Trustees and Carillion Plc and invoiced thereafter.

In relation to the summary of fees paid to PwC since 2008 which you have set out in your letter, this includes £4.6 million paid by the Electricity Supply Pension Scheme (ESPS). This scheme has 26 separate sections (known as "Groups"), each of which has its own assets to fund the benefits of its members. The Carillion Group of the ESPS is one of these 26 Groups. Having carried out further

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*PricewaterhouseCoopers LLP, 1 Embankment Place, London WC2N 6RH  
T: +44 (0) 20 7583 5000, F: +44 (0) 20 7822 4652, [www.pwc.co.uk](http://www.pwc.co.uk)*



analysis since we wrote to you on 2 February 2018, we have identified that only £200,000 (approximately) of the £4.6 million paid by ESPS relates to the Carillion Group of ESPS.

The Financial Reporting Council has asked that we provide them with a copy of this letter which we will proceed to do. If you have any further questions or if we may be of any further assistance, please contact me.

Yours sincerely,

A handwritten signature in blue ink that reads 'Margaret Cole' in a cursive script.

Margaret Cole  
General Counsel