



Work and Pensions Committee Business, Energy and Industrial Strategy Committee

House of Commons, London, SW1A 0AA

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From the Chairs

14 February 2018

Brian Walker
Director, Aberdeen Roads Limited
c/o Balfour Beatty Investments,
Regent's Place,
350 Euston Road,
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NW1 3AX

Dear Brian

Our Committees are currently investigating the collapse of Carillion. In their evidence to us, and in wider reporting before and after the collapse, former directors sought to blame four contracts for the rapid decline of the company, including the Aberdeen Western Peripheral Route. In his evidence to us on 6 February, the former Chief Executive of Carillion, Richard Howson, noted that he would not in hindsight have bid on the AWPR (an extract is attached).

We would be grateful for your responses to the following questions:

1. What were the causes of cost overruns on the project?
2. Were any of these causes a direct result of action or inaction by Carillion?
4. Was there no insurance in place to cover any such eventualities and, if not, is that unusual?
6. What was the effect of the delays on payments to Carillion?
7. Do you have any further comments on your experience working with Carillion?
8. Do you expect the remaining members of the company to be able to complete the routel and, if so, when? And are you confident that the work carried out by Carillion was otherwise of adequate quality?

It would be helpful to receive a response to our inquiries by Wednesday 21 February.

Yours sincerely,

Rt Hon Frank Field MP
Chair, Work and Pensions Committee

Rachel Reeves MP
Chair, Business, Energy and
Industrial Strategy Committee

Q530 **Heidi Allen:** Yes, but to be fair, as I say, 2004 was the last time you had anything vaguely approaching an acceptable cash ratio, so this is not just things that went wrong in 2017. Systematically, with the culture of the company, you were living on nothing. You cannot blame it on contracts that went wrong right at the very end. Going back through all of your time throughout the organisation, was the company run well?

Richard Howson: The company was run well, in my opinion. There are lots of things I would do differently in hindsight.

Q531 **Heidi Allen:** Such as?

Richard Howson: I would not have bid on the Aberdeen Western Peripheral Route. I would not have joined the bidding consortia, given the losses on that.

<http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/work-and-pensions-committee/carillion/oral/78103.html>