



Work and Pensions Committee

House of Commons, London, SW1A 0AA
Tel 020 7219 8976/5777 Email workpencom@parliament.uk

From the Chair

26 March 2018

Gavin Vaughan, Secretary
Vaughan Engineering
East Mains Industrial Estate,
Broxburn, West Lothian
EH52 5ND

Dear Mr Vaughan

Vaughan Engineering administration

I was saddened to read the news last week that your company is preparing to enter administration following on from the collapse of Carillion.

The Work and Pensions and Business, Energy and Industrial Strategy Committees are conducting a joint inquiry into Carillion and the lessons to be learnt from it. It has become clear that Carillion's treatment of its suppliers often fell well short of best practice. I would be grateful therefore, if you could provide us with your experiences of dealing with Carillion, particularly with regard to the following:

1. Could you set out details of the sort of work you were providing for Carillion?
2. What were your standard payment terms agreed for this work?
3. Were you aware that Carillion were signatories to the prompt payment code? Did they adhere to this code in your view?
4. Did Carillion squeeze these payment terms in the lead-up to their insolvency?
5. How much are you currently owed by Carillion?
6. Did you have any significant disputes with Carillion over claims due?
7. Did you work for any other major construction companies? If so, how would you compare Carillion's business practices with those other companies?
8. When did you first become aware of the difficulties Carillion were facing? Would earlier warning have enabled you to manage the risk of them entering insolvency?
9. The Government held around 450 contracts with Carillion. Did this give you comfort that they would not be allowed to fail?
10. Is Carillion's collapse the most significant factor in your company entering administration?

Best wishes and I look forward to hearing from you,

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

Rt Hon Frank Field MP
Chair