Dear Mr Field,

Thank you for your letter of 5 October regarding the announcement by Trinity Mirror and its proposed acquisition of the publishing assets of Northern & Shell, including the Express Newspapers.

We have been taking a close interest in the defined benefit pension schemes sponsored by Trinity Mirror and by Northern & Shell since we became aware that a transaction was a possibility. We have been working with all relevant parties since early this year, and continue to do so following the latest announcement in September.

In such transactions, the trustees are expected to ensure that the pension scheme is treated as a material stakeholder and that the interests of members are adequately protected. We support and challenge the trustees in carrying out this role, for example, through ensuring that there is an adequate flow of information to the trustees and where appropriate to us. In particular, we expect the trustees to ensure that any apparent material detriment that such transactions could cause to the scheme is identified and mitigated and we will step in ourselves to ensure this if necessary.

You will appreciate that commercial transactions of this sort are highly confidential and commercially sensitive and there are statutory confidentiality constraints placed on us in respect of information we receive in the course of our regulatory work. We are therefore limited in what we can say about this specific situation. However, to address each of your questions in turn:

1. As noted above, our priority is to ensure that any transaction such as a takeover does not cause material detriment to the scheme, for example through weakening of the employer covenant and that the interests of the members are protected. We would expect the pension scheme to share appropriately in any upside resulting from such a transaction. We then of course have ongoing responsibilities to ensure that the funding of any DB schemes connected with a transaction remains appropriate once a takeover is completed.

16 November 2017
2. Discussions are still ongoing on respect of the triennial valuations due to be submitted by 31 March 2018

3. I can assure you that we are working closely with the trustees and other parties involved to assess the impact of the potential takeover on the schemes and will continue to do so.

4. As noted above, working with the trustees to understand the impact of the proposed takeover in order to determine whether there would be any material detriment and if so, what mitigation would be appropriate is exactly what we do in these situation. I cannot comment further on this work.

5. Our work in respect of such transactions involves a consideration of its impact on all relevant pension schemes, including the arrangements for ongoing sponsorship should the transaction complete.

I hope that this information is helpful.

Yours sincerely

Lesley Titcomb
Chief Executive