House of Commons

Work and Pensions Committee

Response to the Government's consultation on corporate governance reform

Eighth Report of Session 2016–17

Report, together with formal minutes relating to the report

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Work and Pensions Committee

The Work and Pensions Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Department for Work and Pensions and its associated public bodies.

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Publication

Committee reports are published on the publications page of the Committee's website and in print by Order of the House.

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Summary

The collapse of BHS, which left its pension funds in a deficit of £571 million, was precipitated by gross failures of corporate governance. We welcome the Government's green paper on corporate governance reform. This Report is our response to that consultation, based on our BHS inquiry and our subsequent work on pensions.

We have not sought to cover the breadth of the consultation, which is the domain of our colleagues on the Business Committee, and have restricted our comments to areas relevant to pensions. The three recommendations in this response should be read in conjunction with the more substantial proposals in our December 2016 Report on *Defined benefit pension schemes*. Our recommendations are:

(1) **The Financial Reporting Council Corporate Governance Code, which currently applies only to public listed companies, should be extended to large private companies and those with over 5,000 defined benefit pension scheme members.** BHS was a private company but the effects of its collapse spanned widely: not least to its thousands of employees and pensioners who have lost out while those who owned BHS took lavish rewards. This measure should improve transparency about governance arrangements, performance and risk in private companies to the benefit of stakeholders including pension scheme members.

(2) **Pension scheme trustees, who must act in the interest of scheme beneficiaries, should be added to section 172(1) of the Companies Act 2006.** That legislation sets out the duties of company directors, including a list of stakeholders to whom they must have regard in the course of their duties. Directors of larger companies must then report on how they have performed those duties in an annual Strategic Report. The current list does not explicitly account for defined benefit pension scheme members. Their income in retirement is reliant on the sustained success of the sponsoring company but former employees in particular are at particular risk of being neglected in corporate decision making. Our recommended measure may increase the chances both that directors would take into account the interests of pensioners in carrying out their duties and that those who have failed to do so will be held accountable in the courts.

(3) **Future Insolvency Service reports should be published when there is significant public interest in publication.** There is a legitimate public interest in the complete story of the failure of BHS being laid bare. We welcome the Government's indication that it will seek to publish Insolvency Service findings into BHS.

Introduction

1. BHS went into administration on 25 April 2016. On 28 April we launched a joint inquiry with the Business, Innovation and Skills (BIS) Committee[1] into the collapse of that company and the origins of its huge pension scheme deficit. Over the next three months an extraordinary tale unfolded in which the main players took lavish rewards at the expense of the employees and pensioners of the company.[2] Themes that emerged from the inquiry included:

- lamentable corporate governance in what was a large private company;
- a paucity of publicly available information about the state of the company and its pension fund; and
- the absence of a voice in the running of the company for those who relied on its success for the security of their pension saving.

2. The Department for Business, Energy and Industrial Strategy (BEIS) green paper on corporate governance reform is clearly coloured by the collapse of BHS and the desire of responsibly run UK businesses, which represent the vast majority, to protect their reputations. We welcome this opportunity to convey our experience and views to Government. We have restricted our comments to areas relevant to pensions and support the wider work on corporate governance by our colleagues on the BEIS Committee.[3] Our recommendations to the Department for Work and Pensions (DWP), the Pensions Regulator (TPR) and the Pension Protection Fund (PPF) on defined benefit (DB) pensions, including how to reduce the chances of another pension scheme collapsing in the manner of BHS, were set out in our December 2016 Report.[4] The recommendations in this response should be read in conjunction with the more substantial proposals for improvements to the legal framework surrounding DB pension schemes in our earlier Report.

1 Following changes to the machinery of Government that Committee is now the Business, Energy and Industrial Strategy Committee.

2 First Report of the Work and Pensions Committee and Fourth Report of the Business, Innovation and Skills Committee of Session 2016–17, BHS, HC 54

3 Business, Energy and Industrial Strategy Committee, Corporate governance inquiry

4 Work and Pensions Committee, Sixth Report of Session 2016–17, Defined benefit pension schemes, HC 55

1 Large private companies

3. The Government's green paper asks the following questions on corporate governance in large, privately-held businesses:

> (10) What is your view of the case for strengthening the corporate governance framework for the UK's largest, privately-held businesses? What do you see as the benefits for doing so? What are the risks to be considered? Are there any existing examples of good practice in privately-held businesses that you would like to draw to our attention?
>
> (11) If you think that the corporate governance framework should be strengthened for the largest privately-held businesses, which businesses should be in scope? Where should any size threshold be set?
>
> (12) If you think that strengthening is needed how should this be achieved? Should legislation be used or would a voluntary approach be preferable? How could compliance be monitored?
>
> (13) Should non-financial reporting requirements in the future be applied on the basis of a size threshold rather than based on the legal form of a business?[5]

Corporate governance in the Green empire

4. In the course of our inquiry into BHS we examined corporate governance in Sir Philip Green's companies, which are privately held and ultimately owned offshore by Lady Green. We found a near-complete absence of the constructive challenge that is the hallmark of good corporate governance. Sir Philip, a dominant personality, ran his companies as a personal empire with boards taking decisions with reference to a shared understanding of his wishes rather than the interests of each individual company. Inter-company loans and property deals, related-party transactions and the hurried disposal of BHS to a wholly unsuitable buyer all proceeded with woefully inadequate checks and balances.[6]

5. The poor corporate governance in Sir Philip's companies was epitomised by the complacent performance of Lord Grabiner, who was non-executive Chairman of Taveta Investments Ltd (TIL, the group holding company), Taveta Investments No.2 Ltd (TIL2, the company that sold BHS) and, until December 2015, its subsidiary Arcadia Group Ltd.[7] Lord Grabiner cited the privately-owned nature of the companies in explaining his lack of involvement in the sale of BHS despite his position:

> Richard Graham: So your answer is no, it is perfectly usual for a chairman not to be invited to a board meeting, not to receive the papers and not to know who is the buyer of the company, of which ultimately he is the chairman, being sold?

5 Department for Business, Energy and Industrial Strategy, Corporate governance reform green paper, November 2016

6 Work and Pensions Committee, Sixth Report of Session 2016–17, Defined benefit pension schemes, HC 55, paras 114–137

7 Work and Pensions Committee, Sixth Report of Session 2016–17, Defined benefit pension schemes, HC 55, para 136

> Lord Grabiner: I think in the particular context of this transaction, bearing in mind the expertise of the people whose task it was to do the exercise on behalf of the board, it is entirely an unsurprising result. This is a private company.[8]

The Corporate Governance Code

6. The Financial Reporting Council (FRC) UK Corporate Governance Code sets out principles of good governance including the specific responsibilities of Chairs in leading a board and ensuring its effectiveness and of non-executive directors in scrutinising and challenging company management. Listed companies must comply with the Code or explain why they have opted not to.[9] Lord Grabiner stressed to us that he did not have particular responsibilities as Chairman and a non-executive director as Sir Philip's companies were private.[10] TIL gave a similar explanation in its response to our Report:

> While we agree that the Code contains a useful statement of principles of good corporate governance, those principles are not necessarily relevant to private companies such as TIL and TIL2. Although TIL and TIL2 are valuable companies with significant assets, this does not change the fact that they are private companies with a small number of shareholders and common directors.[11]

7. The Taveta group did, however, share many of the features of a large public company. BHS, a feature of 160 high streets, had 11,000 employees, 20,000 members of DB pension schemes that relied on the success of the company and substantial supply chains. Its DB pension schemes were insured by the PPF, which is partly funded by a levy on thousands of other pension schemes. Arcadia is a yet larger company with around 27,000 employees and 11,000 members of defined benefit pension schemes with combined deficits of £200 million.[12] These are private companies, but their social impact extends well beyond the shareholders.

8. In August 2016 Simon Osborne, Chief Executive of ICSA: The Governance Institute, wrote to the Prime Minister highlighting concerns about private companies:

> All company boards have a duty to act in a way that is in the long-term benefit of both the company and society at large. As the case of BHS has demonstrated, the fact that a large company may be privately owned does not reduce the public impact when it fails. Boards of larger private companies should be expected to aspire to the same standards of governance as those in the listed sector.

9. Mazars, an accountancy firm, suggested that large private companies, including UK subsidiaries of international businesses, with a "major public interest aspect to their work" could be expected to apply the Code. Such companies might be distinguished by having "a

8 Oral evidence taken on 23 May 2016, HC (2016–17) 55, Q511

9 Financial Reporting Council, UK Corporate Governance Code. All companies with a Premium Listing of equity shares in the UK are required under the Listing Rules to report on how they have applied the Code in their annual report and accounts.

10 Letter from Lord Grabiner, 6 July 2016

11 Taveta Investments Ltd response to the BHS Report, October 2016, para 147

12 Arcadia Group Ltd 2014–15 accounts list a pension scheme deficit of £190 million on 29 August 2015, a figure which is likely to have since grown.

large number of employees, a major pensions commitment or providing services deemed to be of significant national interest".[13] Similarly Mercer, a consulting firm, said that company reporting requirements could be varied according to "the effect a company's failure could have on its stakeholders" such as employees, suppliers, creditors and pension scheme members.[14] Deloitte, a professional services firm, recommended a threshold based on the number of employees of a firm, which would "ensure that there is a mechanism to hold the directors of private companies to account for decisions" which affect their employees and former employees.[15]

10. ICSA favoured extending the Code to large private companies, noting the Companies Act 2006 already places different reporting requirements according to company size.[16] For example, duties to prepare audited accounts and to publish an annual Strategic Report are restricted to companies above certain sizes.[17] Regulations define companies as micro, small, medium or large according to thresholds of turnover, assets and employee numbers.[18] The Government uses alternative definitions for different functions. Reporting requirements under the Modern Slavery Act 2015 are restricted to companies above a defined level of turnover only.[19] BEIS has a separate definition of mid-sized businesses for policy purposes.[20] The PPF *Purple Book* disaggregates DB pension schemes using various size criteria. For example, in 2016 there were 392 schemes with 5,000 or more members, of which 208 had 10,000 or more.[21] Those figures cover public and private companies and other sponsoring employers. Annex 1 of this Report shows a table of the largest private companies in the UK and, where applicable, their latest pension deficits. The latest reported data show a total of 25 UK-registered private companies had more than 10,000 employees, of which ten had pension schemes in deficit. The combined deficits of those ten companies, which include Arcadia, was over £1.5 billion.[22]

Transparency

11. The Code is not enforceable by the FRC. It primarily operates through transparency: firms are required to explain publicly why they have opted not to comply with elements of the Code and to report on areas of governance, such as the principal risks to the company and how those risks are being managed or mitigated. Shareholders and other stakeholders are therefore better equipped to hold directors to account. Evidence pointed to the power of simple disclosure requirements in influencing business behaviour. Jonathan Chamberlain, of the Employment Lawyers Association, cited section 54 of the Modern Slavery Act 2015 as example of making directors' decisions "transparent and open to shareholder

13 Mazars LLP (CGV0134)
14 Mercer Ltd (PPF0064)
15 Deloitte (CGV0145). See also ICSA: The Governance Institute (CGV0111) and British Bankers' Association (CGV0085).
16 ICSA: The Governance Institute press release, ICSA proposes changes to the governance of private companies, 31 August 2016
17 Companies Act 2006 s475 and s414C
18 The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 (SI 2015/980). A large company is defined (by exclusion) as one with at least two of (a) turnover of more than £36 million, (b) a balance sheet of over £18 million and (c) more than 250 employees.
19 Modern Slavery Act 2015 s54
20 Department for Business, Innovation & Skills, Mid-sized businesses, 30 June 2012
21 Pension Protection Fund, The Purple Book 2016, figure 4.4. Data for schemes eligible for the PPF on 31 March 2016.
22 Company performance and staff numbers sourced from The Sunday Times Top Track league table. Pension deficit data from latest published company accounts.

comment, public comment and intervention".[23] Large companies, both public and private, must produce a statement either setting out the steps they have taken to ensure there is no modern slavery in their business and its supply chains, or stating that they have taken no such steps.[24] The Institute of Business Ethics said the requirement was "driving better behaviour and concentrating business minds".[25] Peter Montagnon, Associate Director of that Institute, similarly noted that requiring pension funds to make "just a very light-touch statement" about corporate responsibility "had a profound impact on behaviour".[26]

12. We heard that pension scheme trustees and TPR can struggle to obtain financial information about private scheme sponsors.[27] We have been frustrated in our efforts to obtain information about the Arcadia pension schemes from both the board of trustees, which does not have an independent Chair, and the company.[28] Dr Ewan McGaughey of Kings College London said that greater transparency might reduce the likelihood pension scheme failures such as BHS being repeated:

> It could be argued that episodes like that involving Mr [sic] Green might have been avoided if he had more open and public scrutiny before the BHS pension was found to have deficits.[29]

13. We asked TPR to analyse the health of defined benefit schemes according to the size and legal status of the sponsoring employer. Summary data are shown in Table 1 below. Based on the ability to provide benefits at PPF levels, schemes attached to FTSE 100 companies were 89 per cent funded, while those attached to large private companies were 82 per cent funded.[30] Though there would be considerable variation within each group, the large private companies represented a greater risk to the PPF.

23 Oral evidence taken before the Business, Energy and Industrial Strategy Committee on 15 November 2016, HC (2016–17) 702, Q52
24 Modern Slavery Act 2015 s54
25 Institute of Business Ethics (CGV0016)
26 Oral evidence taken before the Business, Energy and Industrial Strategy Committee on 15 November 2016, HC (2016–17) 702, Q62
27 SEI (PPF0070); Occupational Pensioners Alliance (PPF0043)
28 Correspondence with Margaret Hannell, Arcadia Pensions Manager, and Ian Grabiner, Chief Executive of Arcadia
29 Dr Ewan McGaughey, King's College London (CGV0149)
30 The Pensions Regulator (PPF0135)

Table 1: Defined benefit pension schemes by legal form of sponsor
31 March 2015

Sponsor legal form	Number of schemes	DB members 000s	Total assets £bn	% funded by basis s179 (PPF)	s75 (buyout)
Public					
FTSE 100	215	3,636	456	89%	64%
FTSE 250	244	782	73	83%	60%
Public other	302	908	110	85%	63%
Total public	**761**	**5,327**	**639**	**87%**	**63%**
Private limited					
Large	2,733	4,091	490	82%	61%
SME	1,308	304	28	77%	58%
Total private limited	**4,041**	**4,395**	**518**	**82%**	**61%**
Other sponsors	**1,143**	**1,250**	**142**	**79%**	**59%**

Source: The Pensions Regulator Registry, The Purple Book 2015, FAME published by Bureau van Dijk

Notes: The Sponsor's Legal Form, where more than one exists to a given scheme, has been identified in respect of the largest sponsor by the number of DB members attributable within that scheme.

The Sponsor's Legal Form is an amalgamation of information from various sources (e.g. Corporate Accounts via BvD FAME, TPR's Register, various other reconciliation exercises), some of which may conflict in certain instances, and a "best-efforts" resolution has been arrived at.

This is a data driven reconciliation, which will undoubtedly contain more errors than would a dedicated manual case-by-case review exercise.

14. **BHS was a private company but the effects of its collapse—and the gross failures of corporate governance that precipitated it—spanned widely: to its thousands of employees and pensioners, to gaps on high streets and to other businesses in its supply chains or paying the PPF levy. Public listed companies are required to comply with the Financial Reporting Council Corporate Governance Code and its reporting requirements or publicly explain why they are not. This is a proportionate approach for companies of social importance. Transparency about governance arrangements, performance and risk can better equip stakeholders to hold company directors to account. Wider awareness of the state of the BHS pension schemes may have pressured Sir Philip Green into taking more reparative action, sooner.** ***We recommend that private companies that are large, as defined by Government, or have over 5,000 defined benefit pension scheme members be made subject to the FRC Corporate Governance Code on a comply or explain basis.***

2 Directors' duties and pensioners

15. The green paper asks:

> (7) How can the way in which the interests of employees, customers and wider stakeholders are taken into account at board level in large UK companies be strengthened?

We have not considered broader issues of corporate governance beyond our remit and have restricted our response to a narrow issue which emerged during out BHS inquiry.

16. Section 172(1) of the Companies Act 2006 sets out matters a director of a company must have regard to in the conduct of his or her duties:

> (1)A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—
>
> (a) the likely consequences of any decision in the long term,
>
> (b) the interests of the company's employees,
>
> (c) the need to foster the company's business relationships with suppliers, customers and others,
>
> (d) the impact of the company's operations on the community and the environment,
>
> (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
>
> (f) the need to act fairly as between members of the company.[31]

Under section 414C of the Companies Act directors of larger companies must publish an annual Strategic Report setting out how they have performed their duties under section 172.[32]

17. Pension scheme members, or the trustees who act in their interests, are not explicitly included as stakeholders to whom directors must have regard in the conduct of their duties. To some extent their inclusion may be implicit in, for example, considering the long term interests of employees. The interests of former employees may, however, differ from those of current employees. This is increasingly the case as the proportion of active members of DB schemes falls.[33] Deloitte noted that section 172 "imposes some balance of the interests of shareholders and current employees, albeit with the balance in favour of shareholders, but there is no reference point for former employees".[34]

31 Companies Act 2006 s172
32 Companies Act 2006 s414C; The Companies Act 2006 (Strategic Report and Directors' Report) Regulations (SI 2013/1970)
33 Pension Protection Fund, The Purple Book 2016, figure 3.9
34 Deloitte (CGV0145)

18. The Association of Chartered Accountants said that pensioners may be at particular risk of being neglected when directors carry out their section 172 duties:

> This can be a challenging task in any time as the resources are always finite. Under financially stressed situations, this can be particularly difficult. The on-going debate on the pension deficit at failed businesses has highlighted that this flexibility can subject relatively vulnerable stakeholders, namely former employees, to disadvantage.[35]

Former employees, whether they have retired or work elsewhere, tend to be dispersed and less equipped to speak with an informed collective voice than other stakeholders such as shareholders and current employees. The notorious complexity of pensions make it more difficult for scheme members to intervene. In the case of BHS, the PPF, in acting to recover maximum funds for the pension schemes from their insolvent sponsor, can expect to recover between 2p and 8p in the pound of the pension deficit.[36] The pensioners did not choose to, in effect, lend their retirement savings to BHS but the PPF is an unsecured creditor. By contrast, Sir Philip Green has an outstanding claim for 100 per cent of a £35 million floating charge he previously pledged to the pension fund.[37]

19. ICSA: The Governance Institute suggested that company directors should have "an explicit duty to have regard to the interests of members of defined benefit pension schemes".[38] Pension scheme trustees must always act in the best interests of scheme beneficiaries. Beneficiaries include pensioner members, active members (employees who are building up benefits), deferred members (non-active members who are not yet drawing benefits), prospective members and the widows, widowers and dependants of members.[39]

20. The Legal and General Group, an insurance company, did not favour "comprehensive overhaul" of section 172 but said:

> recent corporate events may provide grounds for more express recognition of certain stakeholders in board decision making such as past (e.g. pensioned) and current employees.[40]

Legal and General cautioned, however, that the failure of BHS was "perhaps more to do with the application of directors' duties by those directors in question" than deficiencies in legislation. They suggested that there was "scope for the application and enforceability of directors' duties to be scrutinised through the courts" rather than through further prescription at this stage.[41]

21. **The list of stakeholders to whom company directors must have regard under section 172(1) of the Companies Act 2006, duties they must report on annually under section 414C of that Act, does not include defined benefit pension scheme beneficiaries or the trustees who must act in their interests. Incomes of pensioners in retirement are reliant on the sustained success of the sponsoring company but they are at particular**

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35 Association of Chartered Certified Accountants (CGV0100)

36 Duff & Phelps, Progress Report to Creditors: SHB Realisations Limited (formerly BHS Limited) (In Administration), 18 November 2016

37 Letter from the Pension Protection Fund, 19 December 2016

38 ICSA: The Governance Institute (CGV0111)

39 The Pensions Regulator, Trustee guidance, issued December 2007

40 Legal & General Group (CGV0098)

41 Legal & General Group (CGV0098)

risk of being neglected in corporate decision making. The inclusion of pension scheme trustees in section 172 may increase the chances both that directors would take into account the interests of current and future pensioners in carrying out their duties and that those who have failed to do so will be held accountable in the courts. *We recommend that pension scheme trustees be added to section 172(1) of the Companies Act 2006.*

3 Insolvency and transparency

22. The green paper invites "suggestions on any other themes, ideas or proposals that could be explored which would strengthen the UK's corporate governance framework".[42] Our objective in conducting our inquiry into BHS was to establish publicly the reasons for the collapse of the company and the manner of that collapse. This was driven by a desire to reduce the chances of such instances recurring and we undertook subsequent broader work on DB pensions, making recommendations for legislative and policy change.[43] Alongside oral evidence sessions we published a considerable array of BHS documentation, including contracts, board minutes and email exchanges.[44] This contributed to the detailed story of the failure of BHS being more transparently and quickly available than would have been the case from the ongoing official investigations alone.

23. During our inquiry the Government indicated that it would seek to publish all or part of the Insolvency Service's report into BHS. Baroness Neville-Rolfe, then a BIS Minister, said:

> Once the investigation is completed the Government will consider what detail it is appropriate to publish having full regard to any legal restrictions on publication, and also the legitimate public interest in the cause of the BHS failure.[45]

This contrasted with the approach taken by Government to previous important Insolvency Service reports, such as that into the collapse of Comet.[46]

24. **There is a legitimate public interest in the complete story of the failure of BHS being laid bare. The former employees and pensioners of BHS deserve to understand what happened. Transparency is not simply a matter of holding those responsible publicly accountable, but also enabling informed debate about the implications of BHS for business and pensions policy. We welcome the Government's indication that it will seek to publish Insolvency Service findings into BHS.** ***We recommend that future Insolvency Service reports are published when, in the opinion of the Secretary of State, there is significant public interest in publication.***

42 Department for Business, Energy and Industrial Strategy, Corporate governance reform green paper, November 2016, p50 (question 14).
43 Work and Pensions Committee, Sixth Report of Session 2016–17, Defined benefit pension schemes, HC 55
44 See BHS inquiry website
45 PQ HL486, 15 June 2016
46 PQ HL505, 15 June 2016

Conclusions and recommendations

1. BHS was a private company but the effects of its collapse—and the gross failures of corporate governance that precipitated it—spanned widely: to its thousands of employees and pensioners, to gaps on high streets and to other businesses in its supply chains or paying the PPF levy. Public listed companies are required to comply with the Financial Reporting Council Corporate Governance Code and its reporting requirements or publicly explain why they are not. This is a proportionate approach for companies of social importance. Transparency about governance arrangements, performance and risk can better equip stakeholders to hold company directors to account. Wider awareness of the state of the BHS pension schemes may have pressured Sir Philip Green into taking more reparative action, sooner. *We recommend that private companies that are large, as defined by Government, or have over 5,000 defined benefit pension scheme members be made subject to the FRC Corporate Governance Code on a comply or explain basis.* (Paragraph 14)

2. The list of stakeholders to whom company directors must have regard under section 172(1) of the Companies Act 2006, duties they must report on annually under section 414C of that Act, does not include defined benefit pension scheme beneficiaries or the trustees who must act in their interests. Incomes of pensioners in retirement are reliant on the sustained success of the sponsoring company but they are at particular risk of being neglected in corporate decision making. The inclusion of pension scheme trustees in section 172 may increase the chances both that directors would take into account the interests of current and future pensioners in carrying out their duties and that those who have failed to do so will be held accountable in the courts. *We recommend that pension scheme trustees be added to section 172(1) of the Companies Act 2006.* (Paragraph 21)

3. There is a legitimate public interest in the complete story of the failure of BHS being laid bare. The former employees and pensioners of BHS deserve to understand what happened. Transparency is not simply a matter of holding those responsible publicly accountable, but also enabling informed debate about the implications of BHS for business and pensions policy. We welcome the Government's indication that it will seek to publish Insolvency Service findings into BHS. *We recommend that future Insolvency Service reports are published when, in the opinion of the Secretary of State, there is significant public interest in publication.* (Paragraph 24)

Annex 1: Largest UK private companies

30 Largest employers in the Sunday Times Top Track 100 league table of privately-owned companies

	Latest performance:			IAS19/FRS 17 **DB pension** balance for reporting period ending		
Company	Year end	Profit £m	Staff	2014 £m	2015 £m	2016 £m
John Lewis Partnership	Jan-16	784	90,700	-1,003	-1,249	-942
Swire	Dec-15	1,229	81,833	-127	-174	
OCS Group	Mar-15	6	75,733	-42	-49	-34
Cordant Group	Jun-15	11	34,197	x	x	x
Arcadia Group Limited	Aug-15	320	32,541	-125	-190	
Specsavers	Feb-16	n/a	30,000	x	x	x
Bestway Group	Jun-15	485	23,324	x	x	x
2 Sisters Food Group	Jul-15	144	22,974	+1	+0	
TI Automotive	Dec-15	241	22,450	+2	+3	
Wilko	Feb-16	57	20,830	-5	-34	-14
Pentland Group	Dec-15	265	20,588	-31	-29	
Care UK	Sep-15	45	18,886	x	x	x
New Look Retail Group Ltd	Mar-16	227	18,530	x	x	x
Bakkavor Group Ltd	Dec-15	128	18,314	+7	-4	
INEOS	Dec-15	2,694	17,000	-63 ‡	-35 ‡	
Mott MacDonald	Dec-15	92	15,531	-75	-85	
Matalan	Feb-16	56	15,500	x	x	x
Clarks	Jan-16	86	15,379	-86	-22	+75
Laing O'Rourke	Mar-15	85	15,088	x	x	x
TJ Morris Ltd	Jun-15	173	13,843	x	x	x
Iceland	Mar-16	150	13,674	x	x	x
WSH	Dec-15	55	13,114	x	x	x
Bourne Leisure	Dec-15	225	13,105	x	x	x
Arup Group Ltd	Mar-15	108	12,143	-116	-159	-143
River Island	Dec-14	174	11,981	x	x	x
Arnold Clark Automobiles	Dec-15	273	9,887	x	x	x
Pret A Manger	Dec-15	84	9,724	x	x	x
Odeon & UCI Cinemas Group	Dec-15	95	9,288	+9	+15	
Vue International	Nov-15	111	9,269	x	x	x
Virgin Atlantic	Dec-15	116	9,005	x	x	x

x – denotes no defined benefit pension scheme for this company.

Company performance and staff numbers from The Sunday Times Top Track. DB pension liabilities from annual account filings at Companies House and are the net liability (fair value of scheme assets minus present value of benefit obligations) not taking into account any related deferred tax asset.

‡ Ineos pension balance relates to Ineos Grangemouth PLC - converted from Euros to Sterling using £/€ exchange rate as at 3 Feb 2017

Formal Minutes

Monday 6 February 2017

Work and Pensions Committee

Frank Field, in the Chair

Ms Karen Buck	Craig Mackinlay
James Cartlidge	Steve McCabe
Neil Coyle	Royston Smith
Richard Graham	

Draft report (*Response to the Government's consultation on corporate governance reform*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 24 read and agreed to.

Annex and Summary agreed to.

Resolved, That the Report be the Eighth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 8 February at 9.15 a.m.

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee's website.

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2015–16

First Report	Pension freedom guidance and advice	HC 371 (Cm 9183)
Second Report	Welfare to work	HC 363 (HC 720)
Third Report	A reconsideration of tax credit cuts	HC 548
Fourth Report	Benefit delivery	HC 372 (HC 522)
Fifth Report	The local welfare safety net	HC 373 (HC 924)
Sixth Report	Understanding the new state pension – interim report on pension statements	HC 550
Seventh Report	Communication of state pension age changes –interim report	HC 899
Eighth Report	Communication of the new state pension	HC 926 (HC 229)
Ninth Report	Support for the bereaved	HC 551 (HC 230)
Tenth Report	In-work progression in Universal Credit	HC 549 (HC 585)
Eleventh Report	Automatic enrolment	HC 579 (HC 610)
First Special Report	Progress with automatic enrolment and pension reforms: Government and Financial Conduct Authority responses to the Committee's Fourth Report of Session 2014–15	HC 375
Second Special Report	Improving Access to Work for disabled people: Government response to the Committee's Second Report of Session 2014–15	HC 386
Third Special Report	Benefit Sanctions: Beyond the Oakley Review: Government Response to the Committee's Fifth Report of Session 2014–15	HC 557
Fourth Special Report	Pension freedom guidance and advice: Financial Conduct Authority Response to the Committee's First Report of Session 2015–16	HC 719
Fifth Special Report	Welfare-to-work: Government Response to the Committee's Second Report of Session 2015–16	HC 720
Sixth Special Report	The local welfare safety net: Government Response to the Committee's Fifth Report of Session 2015–16	HC 924

Session 2016–17

First Report	BHS	HC 54
Second Report	The future of Jobcentre Plus	HC 57 (HC 965)
Third Report	Intergenerational fairness	HC 59 (HC 964)
Fourth Report	Concentrix	HC 720 (HC 1006)
Fifth Report	Support for ex-offenders	HC 58
Sixth Report	Defined benefit pension schemes	HC 55
Seventh Report	Disability employment gap	HC 56
First Special Report	Communication of the new state pension: Government Response to the Committee's Eighth Report of Session 2015–16	HC 229
Second Special Report	Support for the bereaved: Government Response to the Committee's Ninth Report of Session 2015–16	HC 230
Third Special Report	Benefit delivery: Government Response to the Committee's Fourth Report of Session 2015–16	HC 522
Fourth Special Report	In-work progression in Universal Credit: Government Response to the Committee's Tenth Report of Session 2015–16	HC 585
Fifth Special Report	Automatic enrolment: Government Response to the Committee's Eleventh Report of Session 2015–16	HC 610
Sixth Special Report	Intergenerational fairness: Government Response to the Committee's Third Report of Session 2016–17	HC 964
Seventh Special Report	The future of JobCentre Plus: Government Response to the Committee's Second Report of Session 2016–17	HC 965
Eighth Special Report	Concentrix: Government Response to the Committee's Fourth Report of Session 2016–17	HC 1006