

Regulator considers impact on scheme

clearance was sought by and issued to KKR. We certainly cannot make "retrospective calls" for funding after clearance has been issued.

The clearance process is voluntary and, as your article states, Duke Street Capital did not seek it for the sale of Focus DIY. Where clearance is not sought, we may use our powers, if appropriate, where a transaction has impacted upon the security of a pension scheme – though this is a last resort where negotiation between the parties fails. Where concerns are raised about a scheme – for example via whistleblowing – we may investigate.

The regulator does not have the power to "look back as far as it wants". We have a 12-month period

from when a party ceases to be associated with a scheme in which to issue an FSD (six years for a CN). These powers and the look-back periods exist in current legislation.

We do not take a view on the use of private equity; rather we consider the impact of the transaction on the security of the pension scheme. In more than three years of operating the clearance process we have issued almost 450 clearance statements, of which more than 200 involved private equity. We have declined just three, none of which involved private equity.

June Mulroy,
Executive Director of Delivery,
The Pensions Regulator

Authority will not protect pensioners

fast-shrinking portion of the private sector workforce which still enjoys income-related pensions. Of course there is an absolute need to secure the interests of vulnerable pensioners. But this is best done by explicitly targeting pension buyouts, not by granting undefined but sweeping powers to undermine retrospectively any corporate acquisition which may involve defined benefit pensions. The BVCA has proposed a detailed amendment to the government's draft legislation which will specifically target pension buyouts without turning every scheme into a legal toxin which prevents private equity

from bringing its turnaround skills to an ailing company.

The perception that the Pensions Regulator is simply anti-business is gaining traction. The regulator already has substantial powers which have now been exercised on four occasions, each time successfully. Pensioners will not be protected by ill-defined authority for the minister to impose swingeing regulations – and workers and investors will certainly suffer.

Simon Walker,
Chief Executive,
British Private Equity and Venture
Capital Association

Some fear rights

Green is lean in approach to energy

From Mr Seb Beloe.

Sir, Your September 3 issue featured an ironic juxtaposition of two articles – "Energy saving is next on relaunch agenda" and "Focus on green offices wanes" – with the first suggesting that the government may choose to promote energy efficiency to tackle growing fuel poverty and mitigate higher energy bills, and the second presaging the decline of the green office due to "the more difficult economic climate".

In reality, energy efficiency offers opportunities to save money in both residential and commercial settings.

energy bills could be reduced by more than 66 per cent, generating annual savings of nearly £500 per household through a variety of efficiency measures. In the commercial sector, savings could amount to greater than 70 per cent with pay-backs measured in months. In the case of energy efficiency, a green approach is clearly also the lean approach – cost-cutting executives should take note.

Seb Beloe,
Head of Sustainable and Responsible
Investment Research,
Henderson Global Investors.



The power of Elvis endures

Musical gifts part of a long tradition

From Mr Peter Cook.

Sir, That the prospective chairman of the RBS board should like Elvis is "not unusual", in the words of Tom Jones ("Guitar gently weeps for RBS", People, August 28). There is a long tradition of people in power who are musically gifted.

I have accompanied the current chief executive of Kent County Council during his regular Elvis impersonations at staff conferences and performed the blues with an up and coming female executive at FTSE. I was recently astonished when the CEO of a housing organisation penned a bitter rant entitled "The Credit Crunch Blues", to be performed at their staff conference, and which manages to produce a rhyming couplet out of the words "discounted cash flow"!

Alastair Darling will no doubt be performing "Blue Christmas" at the next Labour conference.

Peter Cook,
Managing Director,
The Academy of Rock,
Gillingham, Kent, UK

Correction