



Carillion anniversary: public sector outsourcing value rockets 53%

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A year on from Carillion's collapse, GMB has revealed the total value of outsourcing contracts let by the public sector rocketed by 53% in the past year.

In 2017/18 the lifetime value for the contracts captured by the Tussell database was £95 billion – up from £62 billion the year before.

| Part of public sector | Totals | | |
|------------------------------|-----------------|-----------------|--------|
| | 2016/17 | 2017/18 | Change |
| Central Government | £22,111,205,677 | £53,971,768,742 | 144% |
| Further and Higher Education | £903,381,876 | £2,038,516,010 | 126% |
| Local Government | £27,797,668,534 | £26,876,147,176 | -3% |
| NHS | £11,323,281,000 | £11,937,413,414 | 5% |

| | | | |
|-----------------|-----------------|-----------------|------|
| Parish Councils | £434,943 | £1,050,429 | 142% |
| Schools | £99,350,049 | £200,444,389 | 102% |
| Total | £62,235,322,079 | £95,025,340,160 | 53% |

Capita was one of the biggest winners of public outsourcing, receiving contracts worth almost £1.4 billion in 2017/18 - despite issuing a profit warning in the same year.

Meanwhile Interserve - who issued two profit warnings in just two months at the end of last year, scooped almost half a billion pounds worth of public contracts (£450 million).

“What this shows is despite the tragic fiasco of Carillion, the Government hasn’t learned its lesson. The Conservatives are hell bent on privatisation and outsourcing our public services - regardless of the consequences.

Rehana Azam, GMB National Secretary

Carillion went bust last year carrying nearly £7 billion in debt. The collapse cost thousands and jobs and tens of millions of taxpayer pounds.

GMB says this shows a Government hell bent on privatisation has learned nothing from the Carillion fiasco.

The union this week launches its Go Public campaign which, among other things, calls for an end to outsourcing and privatisation in UK public services and for a better deal to the taxpayer.

Rehana Azam, GMB National Secretary, said:

“What this shows is despite the tragic fiasco of Carillion, the Government hasn’t learned its lesson.

“The Conservatives are hell bent on privatisation and outsourcing our public services - regardless of the consequences.

“What other explanation can there be for this huge increase on outsourced contracts in the year Carillion went bust and when other outsourcing giants look like they’re on life support?

“GMB believes the disastrous project to fragment our public services for private profit has



had its day and we have launched our Go Public campaign to push for an end to outsourcing and privatisation in UK public services.

“GMB will demonstrate just what a bad deal the public is getting by this Government on public services.”

1 year on: how Carillion went bang

