



## **Interserve handed £660 million taxpayer contracts months before facing collapse**

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Interserve was handed £660 million worth of public contracts in the months before facing collapse, GMB Union has revealed.

The company is set to go into administration after its largest shareholder, the US hedge fund Coltrane, opposed restructuring plans.

According to the Tussell, a data provider on UK government contracts, Interserve was handed public contracts worth £432 million in 2017, and £233 million last year.

### **GMB calls time on the outsourcing of public services**

**Rehana Azam, GMB National Secretary:**

The biggest contract in 2018 was awarded by the Foreign and Commonwealth office - £66 million for total facilities management services in July.

Interserve gave out profit warnings in May 2016, October 2017 and November 2018.

In December 2018, with debts approaching £700 million, the company announced a debt for equity rescue deal.

** — Ellie Reeves (@elliereeves) December 13, 2018**

Since then, the company has been awarded £6 million in public contracts. Interserve



now holds £2.1 billion of public contracts.

GMB, the union for Interserve workers, said the collapse shows a Government hell-bent on privatisation had learnt nothing from the Carillion fiasco.

Carillion went bust last year with massive debts. The collapse cost thousands and jobs and tens of millions of taxpayer pounds.

The union has launched its Go Public campaign which, calling for an end to outsourcing and privatisation in UK public services and for a better deal to the taxpayer.



— **Simon Jack (@BBCSimonJack) March 15, 2019**

**Rehana Azam, GMB National Secretary, said:**

"Awarding hundreds of millions in taxpayer funded contracts to troubled outsourcing companies is the height of irresponsibility.

"Interserve was clearly in trouble, and yet Ministers saw fit to hand it hundreds of millions of pounds of public money. What on earth were they thinking?

"This Government's obsession with outsourcing has now put another 45,000 jobs at risk, along with thousands more in the supply chain.

### **How Carillion went bang**

"Ministers have still not taken on board the lessons from the collapse of Carillion.

"The outsourcing sector is descending into chaos as companies underbid each other for contracts in a race to the bottom which will see a serious decline in public services.

"GMB calls time on the outsourcing of public services - it's a bad deal for the public and a bad deal for the workers.



— **GMB UNION (@GMB\_union) March 18, 2019**

