

Press release: Government protects essential public services as Carillion declares insolvency

Today (15 January 2017) the Rt Hon David Lidington CBE MP Minister for the Cabinet Office and Chancellor for the Duchy of Lancaster announced the government will continue to deliver all public sector services following the insolvency of Carillion PLC.

After meeting with their bankers and lenders, Carillion has announced its decision to initiate insolvency proceedings. The Official Receiver has been appointed by the court as liquidator along with partners at PwC that have been appointed Special Managers.

Government will provide the necessary funding required by the Official Receiver to maintain public services.

Those already receiving their pensions will continue to receive payment. A dedicated web page and helpline have also been set up for workers who may be concerned or have questions about their personal situation.

The Rt Hon David Lidington CBE MP said:

It is regrettable that Carillion has not been able to find suitable financing options with its lenders but taxpayers cannot be expected to bail out a private sector company.

Since profit warnings were first issued in July, the Government has been closely monitoring the situation and has been in constructive discussion with Carillion while it sought to refinance its business. We remained hopeful that a solution could be found while putting robust contingency plans in place to prepare for every eventuality. It is of course disappointing that Carillion has become insolvent, but our primary responsibility has always been keep our essential public services running safely.

We understand that some members of the public will be concerned by recent news reports. For clarity – All employees should keep coming to work, you will continue to get paid. Staff that are engaged on public sector contracts still have important work to do.

Since its inception in the 1990s private finance has helped to deliver around £60 billion of much-needed capital investment in infrastructure in the UK across a range of projects and we will continue to maintain partnerships with responsible firms in future.

Further information

1. For media enquiries on government's response to Carillion insolvency contact Cabinet Office Communications: 020 7276 2210/07074 667 000 (out of hours).
2. Carillion held approximately 450 contracts with government, representing 38% of Carillion's 2016 reported revenue. Key central government contracts are held with DfE, DHSC, MoJ, MoD, and DfT. For media enquiries about departmental services contact: DfE: 0207 783 8300/ 020 7783 8300 (out of hours) ; DHSC: 0207 210 3872/ 07050 073 581 (out of hours); MoJ: 020 3334 3536/07659 173 270 (out of hours); DfT: 0207 944 3021/ 020 7944 4292 (out of hours); MoD: 02072187907 (out of hours)
3. Anyone worried about their pension situation can ring The Pension Advisory Service (TPAS) on 0300 123 1047 for free and impartial guidance. TPAS has also set up a special helpline number for members of these pension schemes: 020 7630 2715. [JobCentre Plus](#), through its Rapid Response Service, stands ready to support any employee affected by this announcement.
4. The Official Receiver works for the Insolvency Service, which is an agency of the Department of Business, Energy and Industrial Strategy. He is liquidator of the companies and his job is to realise the assets of the company, deal with creditors' claims, and investigate the cause of failure. The Official Receiver also has a duty to investigate generally the business, dealings, and affairs of the company. In his role as liquidator, the Official Receiver is an officer of the court and is independent from government. The legal and practical consequence of liquidation is that the liquidator takes over the day-to-day control of the company. In liquidation, the directors will have no continuing role in controlling and managing the company. The liquidator's primary duties are to the creditors and the cost of the liquidation are paid from the company's assets. For media queries about the Insolvency Service call: 020 7596 6187