

Interserve UK Public Sector Contract Portfolio

Data as at: 14/03/2019

tussell

Smart data to win
government contracts

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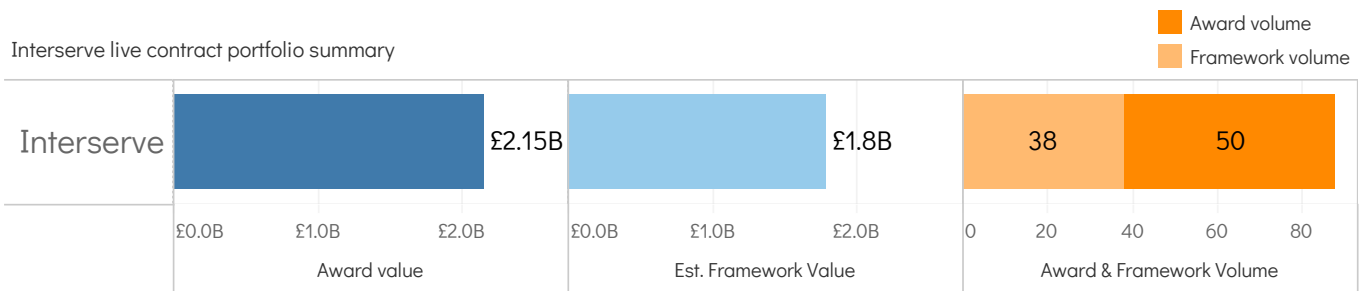
Interserve - Overview

Interserve, one of the Cabinet Office's 'Strategic Suppliers', has entered administration on 15th March 2019 after it failed to secure support from shareholders for a proposed debt-for-equity swap. The company currently has at least 50 live contracts with a total lifetime contract value of £2.1bn with buyers from across the UK public sector.

Tussell data has been cited extensively in press coverage on Interserve's troubles, even triggering an Urgent Question to the Cabinet Minister. This short report builds on that press coverage by drilling in to the firm's public sector contract footprint in order to extract some key findings.

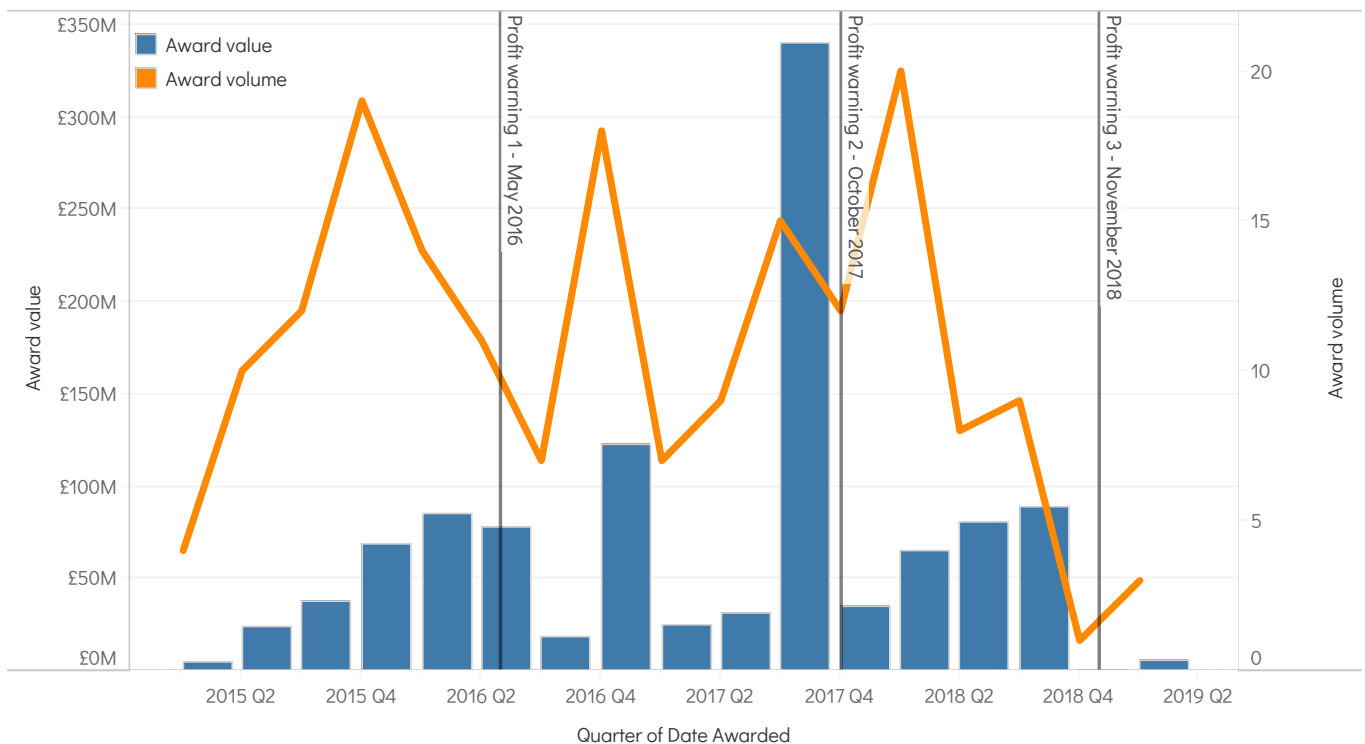
For more details on Interserve's public sector book of business, use the button below to sign up for a free trial of Tussell's online platform of UK government contracts and one of our account managers will be in touch to show you how you can find the information you need.

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Our first key finding is that the UK government continued to award contracts to Interserve despite repeated profit warnings since 2016.

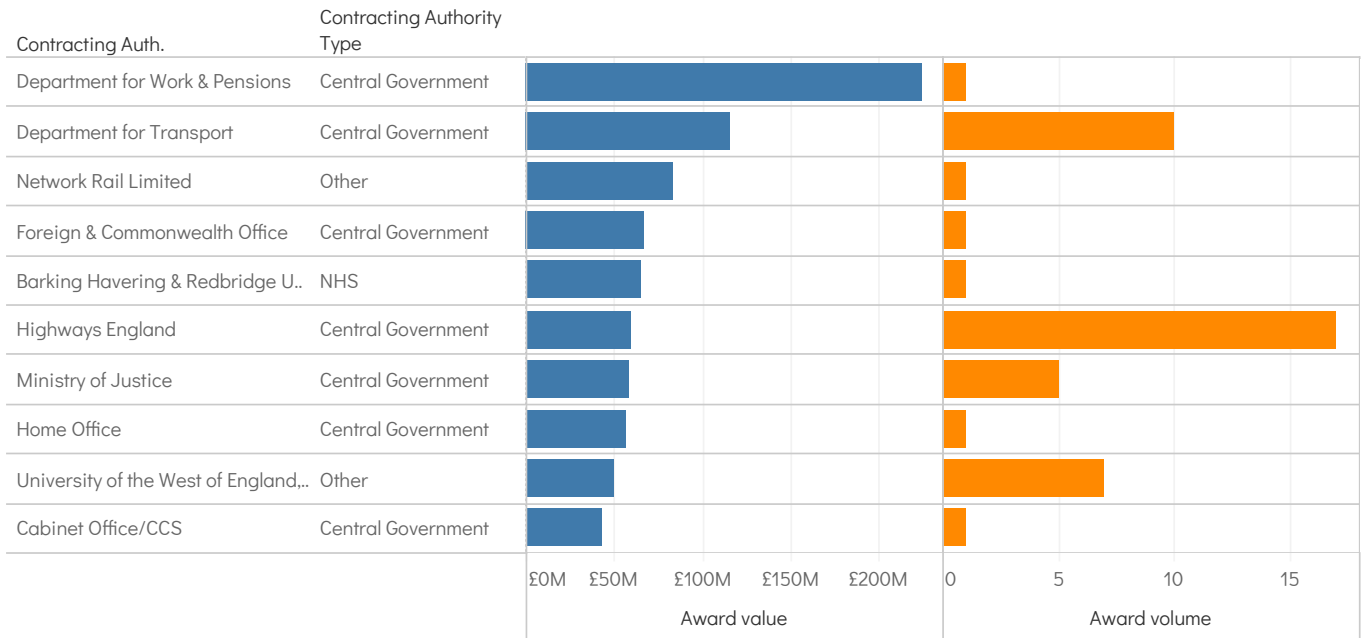
Interserve public sector award value and volume since 2015 by quarter



Interserve - Overview

Our second key finding is that Interserve's highest value contract since 2015 was issued by the Department for Work & Pensions in September 2017. The biggest buyer by number of awards is the Department for Transport and its arms length body, Highways England, awarding nearly 30 contracts over the same period.

Biggest buyers since 2015



Our final key finding is that Interserve, already struggling with a stretched balance sheet, faces substantial cash flow risk from a small number of high value contracts expiring in 2020. The bulk of this risk is concentrated in its outsourced probation services contracts with the Ministry of Justice, which will be terminated two years earlier than planned on account of controversy.

Contract expiry schedule



Interserve is the second major government outsourcer to go into administration in a little over a year. However it is worth noting that the government does appear to have learned some lessons from the collapse of Carillion, including reducing its contractual exposure to Interserve much sooner after the company's profit warnings and being more prepared for the eventual outcome.

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