



Rt. Hon Damian Hinds MP
Secretary of State

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Rt Hon Robert Halfon MP
Chair of the Education Committee
House of Commons
London
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Dear Robert,

Thank you for your letter of 17 January about the impact on education of Carillion going into compulsory liquidation.

There are broadly three sets of issues that arise for the education sector from Carillion entering liquidation: services for schools, school building projects and apprenticeships.

Our priority has been to ensure schools can continue to operate as usual. Government is supporting the Official Receiver, so that services to schools and other public services can continue. This means that Carillion staff should continue to deliver services to schools, until alternative arrangements are put in place. To date, all schools have remained open and no significant issues have been reported.

Local authorities and academy trusts are responsible for their own contracts. We have worked with local authorities and academy trusts to make sure they have robust contingency plans in place and that these have been actioned, where required. Information available to the department indicates that the number of local authority and academy trust schools, covered by catering, facilities management or other service contracts which could affect the day to day running of a school is relatively low. We are aware that Local Authorities and Trusts also contract with Carillion for the delivery of a small number of school building projects, where work may need to be re-procured.

The department has a small number of contracts with Carillion for the delivery of school building projects. Carillion companies also would have had responsibility for defects in completed projects under warranty arrangements. In addition, the department has a contract with a special purpose vehicle (partly owned by Carillion) for a privately financed project for the re-building of and provision of services to eight schools in the West Midlands, which the special purpose vehicle has sub-contracted to Carillion. All eight schools have

been handed over by Carillion, as sub-contractor, however, they are still to complete some demolition of old school buildings and additional works at some of the schools. We do not consider that there will be significant issues with completing the work required. Carillion has not been awarded any work through the ESFA's 2017 Construction Framework.

Following Carillion entering compulsory liquidation, we have implemented contingency plans to protect learners. The Construction Industry Training Board (CITB) has been identified as the best placed alternative provider for the training of Carillion apprentices.


The CITB are on the ESFA's register of approved apprenticeship training providers; deliver good quality provision, with a proven track record of delivering the specific frameworks and standards that current Carillion Apprentices are studying. CITB centres are geographically situated within what is anticipated to be a reasonable travel time for the apprentices; and critically they have the capacity and capability to take on displaced apprentices and study programme learners.

We are grateful for their support to ensure learners can continue to gain the skills they need. We will continue to work closely with CITB to support apprentices to remain in existing placements or to find new employment with other local organisations, so they can complete their training. As the industry's construction skills body, CITB should be able to maximise every possible opportunity to secure new employment for Carillion apprentices in construction. If apprentices in the wider supply chain in England are affected, the ESFA has well established processes to support them find alternative placements. CITB is also supporting 16-19 study programme learners affected, as well as apprentices in other parts of the UK.

All apprentices and other learners have been contacted to reassure them and advise them on next steps for the transfer to CITB. CITB has scheduled a series of events for learners and has set up a dedicated helpline.

Decisions about the future of individual Carillion divisions and contracts will be addressed in due course by the Official Receiver. Schools and other customers will be kept informed of progress and already have robust contingency plans.

We are working closely with Cabinet Office and the Official Receiver/Special Manager. Across all the areas outlined above, we are continuing to monitor developments and provide support where it is needed to help minimise any disruption. We will of course keep the Committee updated with any significant developments.

Yours ever


Rt. Hon Damian Hinds MP
Secretary of State for Education