

By: Ben Watts, General Counsel (Senior Information Risk Owner)

To: Policy and Resources Cabinet Committee – 11<sup>th</sup> May 2018

Subject: **LEGAL UPDATE**

Classification: Unrestricted

---

**Summary:** This report provides a legal update regarding the impact on KCC of issues regarding Carillion PLC.

---

1. On Monday 15 January 2018, the High Court appointed the Official Receiver as liquidator of Carillion Plc, Carillion Services Limited, Carillion Integrated Services Limited, Carillion Construction Limited, Planned Maintenance Engineering Limited and Carillion Services 2006 Limited.
2. Members asked for an update in relation to whether there were any significant legal risks to the council relating to the Carillion group of companies, which is provided through this brief report.
3. In the days following the reports surfacing about the Carillion group of companies, officers from Finance, Infrastructure and the Office of the General Counsel reviewed the deeds held by the council that related to the Carillion group of companies.
4. It was quickly determined that the council does not hold a significant number of deeds relating to Carillion and that the majority held were low value and historic. Accordingly, KCC is in the fortunate position of not facing a significant impact or liability as a result of the compulsory liquidation of the company. Similarly, there has been no material impact on service delivery by the council.
5. The General Counsel and Strategic Commissioner are monitoring a number of the reviews in relation to Carillion to reflect on any learning for the council and will report relevant updates to the committee.
6. Members will be aware that whilst Kent County Council became a commissioning council it has adopted a mixed economy of providers through the involvement of the cross-party Commissioning Advisory Board, Strategic Commissioning Board and relevant Cabinet Committees prior to decisions being taken.
7. Accordingly, whilst the council continues to monitor relevant developments, the nature of our commissioned activity and lack of bulk outsourcing means the current market risks are mitigated.

## **Recommendations**

8. It is recommended that Members **NOTE** the report.