

## Outsourcing has failed

Published: January 18, 2026, 3:25 am

---

The [FT has just](#) reported:

*Interserve, one of the biggest suppliers of government services, has confirmed that it has reached an outline agreement that hands banks control of the business in a debt-for-equity swap.*

*Interserve, which employs 75,000 people worldwide, including 45,000 in the UK, said on Wednesday lenders had agreed in principle to a deal that will see shareholders effectively wiped out and left with just 2.75 per cent of the company. Lenders would convert £480m of existing debt to equity to reduce net debt to around £275m under an agreement that will see them write off more than half of the existing borrowings.*

So, another outsourcing company has failed.

So shall we just agree that outsourcing does not work any more?

And that as a result the whole model of outsourcing to the private sector has failed with it?

There is a way to supply public services. And that is to deliver them from the public sector.