

Major UK Contractor Faces Collapse, Casting Doubt on Projects

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ISG, the sixth-largest building contractor in the UK, has filed for administration, raising concerns about the future of numerous projects nationwide.

The company's six UK subsidiaries, including its main construction arm, have submitted court applications, following months of speculation about their financial difficulties. The collapse of ISG could have significant implications for the construction industry and the completion of several high-profile projects.

Among the projects impacted by ISG's administration are the restoration and redevelopment of Birmingham's Moseley Road Baths, the Regents Quarter offices-to-labs project at King's Cross, and the conversion of Coventry's former IKEA store into an arts and culture center.

ISG's workload includes 34 contract awards and 45 ongoing schemes, totaling £4.15 billion. One of the most significant projects is the Queen Square Institute of Neurology and UK Dementia Research Institute for the University College London, which was expected to be completed in early 2025.

The six companies that have filed for administration are: ISG Construction Ltd, ISG Engineering Services Ltd, ISG Jackson Ltd, ISG Retail Limited, ISG UK Retail Ltd, and ISG Central Services Ltd.

According to recent financial reports, ISG Construction and ISG Retail had experienced financial challenges in the past year. In November 2023, ISG was forced to deny rumors about its financial health following delays to several high-profile projects.

The collapse of ISG raises concerns about the financial stability of the construction industry and the

potential impact on ongoing projects. It also highlights the need for continued oversight and support to ensure the completion of important infrastructure developments.

A spokesperson for Birmingham City Council, the client behind the Moseley Road swimming pool, told the AJ: 'We are aware that ISG Ltd, our main contractor for the Moseley Road Baths Diving In project has notified us of their intention to appoint a receiver. Where requested, we will work closely with the receiver over the coming days.'

A spokesperson for Coventry City Council, which is funding the Buttress-designed City Centre Cultural Gateway, said: 'We understand ISG Construction has applied to enter administration, and we have contacted partners involved in our project as we consider our next steps.'