



**CABINET OFFICE**  
**LONDON SW1A 2AS**

Alex Chisholm  
Civil Service Chief Operating Officer  
and Cabinet Office Permanent Secretary

24 May 2023

Dame Meg Hillier  
Chair of the Public Accounts Committee,  
House of Commons,  
London,  
SW1A 0AA

CC: Gareth Davies, Comptroller and Auditor General, National Audit Office  
CC: Treasury Officer of Accounts

Dear Chair,

**Virtual Infrastructure Group Ltd and UKCloud Ltd**

I wish to provide an update on the compulsory liquidations of Virtual Infrastructure Group Ltd ("VIG"), and its subsidiary, UKCloud Ltd ("UKCloud").

As you are aware, the companies entered into compulsory liquidations on 25 October 2022 whereby the Minister for the Cabinet Office and HM Paymaster General (Rt Hon Jeremy Quin MP), laid a Departmental Minute in Parliament and made a written statement to inform the House of Commons of two contingent liabilities incurred by the Cabinet Office:

1. Indemnifying the Official Receiver ("OR") for any claims made against him; and
2. For any costs and expenses incurred by the OR in carrying out the proper performance of his duties as liquidator.

Similarly, Baroness Neville-Rolfe notified the House of Lords with a similar written statement.

At the time of the statement, it was not possible to reliably estimate the size or maturity of either contingent liability. In respect of costs incurred, the OR now expects the peak funding requirement of the liquidations to be £20 million and the liquidations to conclude in the first half

2024. Efforts are also being made by the OR to recover costs from customers who benefitted from a continuation of UKCloud Ltd services post-insolvency.

I would like to assure you that all UKCloud Ltd customers have now successfully migrated their services onto alternative platforms, with no unexpected disruptions to public services. Furthermore, at this time we are not aware of any potential claims that may require a call on the indemnity.

I would like to inform the Chair that on 25 May 2023 Minister Quin will be providing the House with a new written statement of the above points, and I welcome any comments you may have in the meantime.

As ever, I remain readily available to brief you and the Committee on this case, at your request.



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