

## Steelworks Collapse Puts 1,500 Jobs at Risk

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The UK's third-largest steelworks has collapsed into government control, leaving nearly 1,500 jobs in Rotherham and Sheffield hanging in the balance.

Speciality Steels UK (SSUK), part of Sanjeev Gupta's troubled Liberty Steel empire, was forced into compulsory liquidation this week after creditors pressed claims worth hundreds of millions of pounds. Insolvency courts described the company as "hopelessly insolvent," with just £600,000 in its account compared with a monthly wage bill of £3.7 million.

The official receiver, supported by consultants from Teneo, has now been tasked with managing the business while a buyer is sought. In the meantime, the government has agreed to cover wages and running costs to prevent an immediate shutdown, a move designed to give workers some short-term security.

Liberty Steel's chief transformation officer, Jeffrey Kabel, expressed disappointment at the ruling, insisting the company had presented "a very good case" to continue operations. "We are by far the best company to run this business. We've run it for 10 years, with a huge amount of effort and investment," he told the BBC.

However, the High Court rejected Liberty Steel's request for extra time to arrange a "pre-pack administration," which would have allowed Mr Gupta to repurchase the company while shedding its debts. Lawyers representing creditors, including Greensill Capital's Ryan Perkins, argued that winding up the company under independent control was in the national interest, citing widespread insolvencies across Gupta's global network.

Court documents revealed that third parties had already approached the Department for Business and Trade, expressing interest in reviving parts of the steelworks. A government letter noted that "an orderly compulsory liquidation may be one way of ensuring steel production restarts," raising hopes that a credible buyer could safeguard at least some jobs in the industry.

The collapse is another setback for Britain's steel sector, already under pressure from soaring energy costs, foreign competition, and ongoing uncertainty about long-term industrial strategy. Workers in Rotherham and Sheffield now face weeks of uncertainty while ministers attempt to stabilise operations and secure new ownership.

Critics warn that taxpayers could face prolonged costs as the state steps in to manage wages and settlement expenses. The episode also raises broader questions about the government's ability to safeguard strategic industries at a time when manufacturing communities are demanding clearer economic leadership.

With Britain's steelmaking heritage on the line, the government faces the difficult task of balancing fiscal responsibility with the livelihoods of thousands of workers, a test of whether political promises to "back British industry" can be delivered in practice