

WHO IS SERCO?

On the 4 May 2012, Serco was announced as the preferred bidder for the Northern Isles ferry services, currently run by Northlink¹. The six-year, £350 million deal marks the latest acquisition for Serco plc, the “international service company” for whom no public service is too much to handle. Having acquired footholds in healthcare, law enforcement, the armed forces and elsewhere, the company continues to grow in the UK. The group is similarly established in the US (where it principally supply military services) and Australia (where it maintain all seven immigration detention facilities). In recent years, operations are extending to India, where Serco employs around 30,000 people².

Who is Serco?

Serco began life in 1929 as RCA Services Ltd, a subsidiary of the Radio Corporation of America. With humble beginnings in cinema, it wasn't until the 1960s that the company found work for the UK government, taking on maintenance for the early-warning missile defence system for the RAF in Fylingdales. As years passed and government outsourcing expanded, RCA Services diversified. In 1987 it was bought out and became Serco, obtaining a public listing in 1988³. Since 1994, the company has grown 1,200 per cent. As the public sector suffers ever more cutbacks, Serco plc continue to grow. This year it holds almost £4bn worth of contracts on its books, compared to £1.6 billion last year⁴.

Today, government contracts constitute 90 per cent of the organisation's business, and the scale of operations is enormous. To quote Serco's own website:

“we...have a forward order book that stands at a record £16.7bn, operate traffic management systems covering more than 17,500kms of roads worldwide...provide a secure computer and software support service to all 66 UK law enforcement agencies...manage 192,000

square miles of airspace in five countries... employ 5000 scientists...manage education authorities on behalf of local governments, provide defence support services worldwide... transport more than 275,000 passengers everyday on our driverless trains on London's Docklands Light Railway”⁵

Serco's holdings in Scotland are considerable. Discounting national holdings – the law enforcement contracts mentioned above and their support for civil nuclear power – it provided electronic tagging for offenders on behalf of the Scottish government on a five-year, £30 million contract and transport and accommodation for UKBA asylum seeker services in Scotland, as well as running the Dungavel immigration centre – in a tenure mired by controversy – between 2001 and 2003.

An investigation from Bella Caledonia identified Serco contracts as including:

“...operating Scatsta Airport on Shetland, the ACCESS joint venture with Glasgow City Council providing IT and property services, the management of a fleet of support vessels for the Royal Navy at Faslane, CCTV and roadside emergency phones for Transport Scotland, the operation of HMP Kilmarnock...and facilities management for NHS Scotland” at the controversial PFI Forth Valley Royal Hospital in Stirlingshire and Wishaw General Hospital in North Lanarkshire.”⁶

Political Lobbying

While Serco's growth owes much to their extensive contract portfolio and public sector expertise the role of political lobbying cannot be ignored. Obtaining around 80 per cent of its employees from the public sector⁷ - which also allows them to perform strike-breaking duties where they deem appropriate⁸ – it

is an extremely well-connected company. Examples of the revolving door between Serco's management and the top tier of public bodies has been established, particularly with regard to the PFI⁹. Accusations of undue government support for prison privatisation efforts in Scotland have also been lodged¹⁰. And, without a doubt, continued cutbacks and pay freezes in the public sector will drive more employees in its direction, guaranteeing taxpayers continue to pay for the same services but with profits accruing to Serco's shareholders rather than the taxpayer.

They also weigh in on public debate via their endorsement of right-wing think-tanks like Reform, one of the more vocal advocates of the Conservatives healthcare reforms. Unsurprisingly, Serco is looking to make deep inroads into the newly 'liberated' NHS, including an £140 million contract to run services in Surrey¹¹. In America, Serco has also been giving generously to both parties, no doubt to shore up their considerable holdings in the defence sector, contributing \$81.5 k to the Democrats and \$90.3 k to the Republicans in 2008¹².

Notable Controversies

Serco has attracted considerable controversy for mishandling responsibilities in many of its 'key' sectors, including those they provide in Scotland. In health, one of Serco's 'major growth areas', it has come under fire for unsafe working practices in its out-of-hours services in Cornwall¹³. Its joint venture with the NHS – GTST Pathology – also drew fire for the costs it incurred¹⁴.

In security services, Serco is responsible for brutality in both the criminal and immigration sector, the youngest suicide in British custodial history¹⁵ and the brutality of their tenure at Dungavel¹⁶ being respective examples. Serco has also approached their schooling contracts with a militaristic zeal, putting fingerprint scanners in canteens¹⁷. Despite its zest for security, it has lost considerable data during its American operations¹⁸ and has been criticised for its aggressive attitude towards suppliers¹⁹.

In Conclusion

Serco is a product of neoliberal times, taking over state responsibilities and in the process

transferring yet more public money into private hands. On the basis that the public sector can be run more efficiently along for-profit lines, it guarantee that at least a portion of our taxation pays for a healthy profit margin for invisible investors. Through its political lobbying, it ensure that privatisation remains high on the agenda, and is ready to step in to take over whenever the opportunity subsequently presents itself. What's more, this is a one-way street. The retraining and investment necessary to nationalise already privatised services in a period of austerity keeps its earnings secure, all the more positioned to charge high prices and assert its own terms in future. Meanwhile, its ongoing growth ensures that the 'diversity' and 'choice' promised by the market should be regarded as little more than a hopeful prayer.

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