

## The company that runs Britain

It inspects schools, trains our armed forces, helps protect our borders, maintains our nuclear weapons, runs our trains...

By [Graham Ruddick](#)

Global Research, September 02, 2009

[Telegraph](#) 26 August 2009

Region: [Europe](#)

Theme: [Global Economy](#)

Most of the public will never have heard of [Serco](#), a FTSE 100 company that does all of the above and more.

Led by South African Chris Hyman, Serco is also making money doing it and today underlined it is proving one of the recession winners. Profits in the first six months of the year – one of the toughest the UK economy has faced for decades – jumped 33pc to £83.4m.

However, Serco's journey into the DNA of Britain's public infrastructure, like those of rival support services companies Capita and Interserve, began before the recession arrived.

All have benefited from the growing culture of outsourcing services under Labour, and Serco expects this trend to continue as the gaping hole in the public finances forces the Government to cut back.

Serco has secured a record number of contracts in 2009 so far, worth £4bn, as its revenues climbed 30pc to £1.95bn.

The deals includes a contract to design, build and operate Boris Johnson's cycle hire scheme for London and to operate two new prisons at Belmarsh in London and Maghull in Liverpool.

These come on top of Serco's existing services, which include operating London's Docklands Light Railway, running the Northern Rail and Merseyrail train networks, providing the Ministry of Defence with air surveillance and control systems, and delivering infrastructure and intelligence to the UK Border Agency.

To complete the list, Serco also has a six-year contract with Ofsted to run inspections in the Midlands at schools and further education colleges. In defence, the company is battling to win the rights to run the Army's recruitment programme and already helps to train armed forces about using Britain's fleet of aircraft, such as the Chinook and Apache helicopters.

In partnership with Lockheed Martin and Jacobs Engineering, Serco also manages the Atomic Weapons Establishment, which provides and maintains Britain's atomic warheads.

Revenues from civil government work increased 49pc in the period and a bullish Serco expects this trend to continue, giving it even more control of Britain's infrastructure. The company estimates that local authorities have endured a £4bn deficit in income for over the last two years as a result of the recession and that, by 2012 it will have revenues of £5bn.

In the results, Mr Hyman says: "The financial crisis and subsequent economic slowdown means that governments around the world are contending with increasing demand for high quality services whilst also facing a sharp deterioration in public finances. They continue to experience growing demand for quality services from their citizens.

"We believe this is also leading to a greater acceptance of innovative ways of achieving these changes, a broader range of markets to be addressed, and an increase in the size and term of change programmes in order to achieve the scale of efficiencies required.

Not surprisingly, the shares rose 4pc following the results.

The original source of this article is [Telegraph](#)  
Copyright © [Graham Ruddick](#), [Telegraph](#), 2009

---

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Graham Ruddick](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)