



## Deaths and outsourcing: lessons from the Serco cases

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## 1 Deaths and Serco subsidiaries

This paper updates and expands a section of an earlier PSIRU report on liberalisation and public safety published in 2014.<sup>2</sup>

The table below shows a series of deaths of workers and members of the public which have occurred in various sectors where the service operators have been criticised and/or fined by regulators, inquests, and official safety agencies, or have agreed to compensate families of the deceased, for failings in relation to the deaths. All the companies in the table are subsidiaries of Serco Group, a UK outsourcing company which operates worldwide in a wide range of sectors and services: in addition to the services covered in the table – railways, ferries, security guards, roads maintenance, health care, social care, and prisons - it also has concessions and contracts to run airports, general administrative tasks, laboratories, military data gathering, waste management, and other activities.<sup>34</sup>

Serco was fined a total of over £1million for breach of health and safety duties in the first 3 cases.

**Table 1. Deaths of workers and members of the public in contracts operated by Serco in UK, 2006-2015**

Date	Sector		Sanctions and enquiries	Public agency	Other reports
2006	Road	M5 motorway, Bristol. Maintenance worker killed by fall	£400,000 fine and costs: "Serco did not plan, manage and monitor the work properly"	HSE <a href="#">Case 42170500 fatality</a>	<a href="#">Birse and Serco to pay over £400k after M5 maintenance worker's death. 01 Aug 2011</a>
2007	Rail	Docklands light railway, London. Passenger on line killed by train	£450,000 fine: "found guilty of breaching its health and safety duties"	ORR <a href="#">ORR COIN Case 4146863</a>	<a href="#">DLR operator fined £450,000 for failing to stop a train after a passenger fell onto the track</a>
2011	Ferry	Woolwich free ferry, London. Worker killed while mooring	"The unmooring operation was a routine task but it had not been captured by the company's safety management system" "Serco was found guilty of failing to ensure the health and safety of its crew at Inner London Court ...and was told it must pay the fine and court costs of £220,000."	MAIB <a href="#">MAIB Very Serious Marine Casualty Report No 22/2012 August 2012</a>	<a href="#">Woolwich Ferry: Poor working practices blamed for teen's horrific death Critical report after ferry death ; Ben Woollacott Ferry death: Serco fined £200,000 for deckhand fatality</a>
2011	Health care	Cornwall: boy dies during 'after hours' medical services contract	"short of staff, provided inadequate training, left patients facing long waits and manipulated its results"	CQC <a href="#">Review of Compliance July 2012</a>	<a href="#">NHS watchdog severely reprimands Serco out of hours GP services in Cornwall ; ... short of staff, provided inadequate training, left patients facing long waits and manipulated its results. ; Serco said its "protocols" for illness in children had been changed</a>

2013	Social care	Woman dies after fall at care home.	“Questions still remain over the extent a head injury suffered by Ipswich woman Joy Saunders, 76, had on her death”	Inquest	<a href="#">Jan 2014 Inquest likely after death of Ipswich woman following fall at Serco-run care home ; Questions remain over the extent a head injury suffered by Ipswich woman Joy Saunders, 76, had on her death (EADT 18Nov2014)</a>
2004-2014	Detention centres	7 Deaths of inmates in Colnbrook, Dungavel, Yarls Wood	e.g. Man transferred to hospital without medical notes	Inquest; Prisons and Probation Ombudsman (PPO)	<a href="#">Jury finds that neglect contributed to the death of Brian Dalrymple in immigration detention</a> ‘The jury at the inquest into the death of Muhammad Shukat who died there on 2 July 2011, 28 days before Brian, also concluded that neglect contributed to his death.’ ; PPO 2014 " <a href="#">we have frequently had to highlight the lack of clear and effective systems to ensure that the nature of an emergency is correctly communicated, and that healthcare and detention staff working in IRCs are sufficiently trained and equipped to deal with medical emergencies.</a> "
2015	Custody	Man dies in cell while in Serco custody	Inquest found that “a SERCO computer operator marked that cell checks were completed on time despite having no knowledge of whether the checks had been done at all, or by whom. The operator told the inquest that she randomly guessed which gaoler might have done the checks.. She informed the jury that this was how she had been trained. SERCO’s Head of Service Improvement accepted that the computer recording of the cell checks was a “work of fiction”.	Inquest	<a href="#">Inquest concludes that failures by the police, SERCO and Forensic Medical Examiner contributed to the death of Sivaraj Tharmalingam</a>

Deaths have also occurred on contracts in other countries where official inquests, enquiries or court cases have found Serco responsible for breaches of regulations, laws or duties, for example in relation to the suicides of three asylum seekers in detention centres in Australia in 2010, for which Serco was [‘fined \\$15 million for failing in its duty of care to asylum seekers and underperformance.’](#)<sup>5</sup> Apart from deaths, Serco has been found liable for other physical harm. For example, in addition to the deaths listed in the table above, Serco and other contractors have paid compensation in 14 cases where children in detention centres were forcibly restrained.<sup>6</sup>

## 2 Recurring themes

These deaths show the wide range of ways in which public safety can be affected by contractors' failings. There are some clear recurring themes in the inquests and official reports into these deaths.

- Firstly, inadequate procedures. Serco was criticised for not planning and managing its motorway maintenance work properly; for not including the basic routine of unmooring a ferry in its safety management system; for not having an adequate procedure for stopping trains in an emergency; for not having systems to record falls by patients in care homes; and for lack of effective systems for communicating medical emergencies in detention centres.<sup>7</sup> This failing applies across sectors, and over time, despite statements after each case that Serco would put in place procedures to ensure that such deaths would not happen again.
- Secondly, lack of training. Serco was criticised for inadequate training of staff on its after-hours medical care contract; for inadequate training of its security and healthcare staff within detention centres; for failing to make its construction workers aware of risks.
- Thirdly, lack of communication between the private company and government agencies and other contractors. This was identified as a specific problem in relation to detention centre deaths in the UK and Australia, the death of the passenger on the DLR, and the death of the construction worker.
- Fourthly, deliberate misrepresentation of actual performance in Serco reports to monitoring systems. On the out-of-hours medical services contract, Serco was criticised by the NAO for 'manipulating its results' by lying: "Serco staff fiddled the figures on an astonishing 252 occasions between January and June 2012."<sup>8</sup> For the death of a man in custody in 2015 Serco admitted that it trained its operators to invent times of checks on prisoners and names of staff, and that the records were 'a work of fiction'.<sup>9</sup> Serco has also been found deliberately misrepresenting the number of prisoners tagged under a contract. Serco has also been fined for deliberately misrepresenting its performance on a contract with central government for electronic tagging of prisoners.<sup>10</sup>

These recurring themes in the agency reports and inquests show a repeated and consistent pattern of additional, systematic risks of outsourcing public service work. Private contractors have a permanent incentive to reduce indirect overhead costs such as training, safety procedures and communications protocols, as a way of increasing profit margins. They also have incentives to misrepresent their performance to avoid penalties or bad publicity, especially where the risks of detection are far lower than the gains from detection. These incentives lead repeatedly to behaviour which official reports consider contributed to the deaths.

Two points should be added. Firstly, public sector bodies may often be under pressure to cut costs, for example due to austerity policies, but they are not intrinsic incentives in the way that they are for private contractors. Secondly, the results do not show that other contractors would be better than Serco - culpable deaths have also occurred under other companies, for example deaths of prisoners and detainees in contracts run by G4S. If this pattern emerges on Serco's contracts, it is at least as likely to recur with other contractors.

The probability of deaths in these services is thus systematically increased by outsourcing.

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## 4 Notes

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<sup>2</sup> Impact of liberalisation on public safety in the transport, water and health care sectors' (section 3.5) [https://gala.gre.ac.uk/id/eprint/16845/3/16845%20POWELL Impact of Liberalisation 2014.pdf](https://gala.gre.ac.uk/id/eprint/16845/3/16845%20POWELL%20Impact%20of%20Liberalisation%202014.pdf)

<sup>3</sup> Serco Group Annual Report and Accounts 2019 <https://www.serco.com/media/4462/serco-annual-report-and-accounts-2019.pdf>

<sup>4</sup> See <https://www.serco.com/>; <https://www.theguardian.com/business/2013/jul/29/serco-biggest-company-never-heard-of>

<sup>5</sup> <http://www.theaustralian.com.au/national-affairs/immigration/detention-centre-staff-condemned-by-coroner-over-deaths-of-villawood-detainees/story-fn9hm1gu-1226225771538>

<sup>6</sup> Guardian 24 Oct 2014 G4S and Serco pay out in youth restraint claims <http://www.theguardian.com/uk-news/2014/oct/24/g4s-serco-pay-out-100000-youth-restraint-claims-stc>

<sup>7</sup> See table for sources

<sup>8</sup> Guardian 20 Mar 2013 Private contractor fiddled data when reporting to NHS, says watchdog <http://www.theguardian.com/society/2013/mar/07/private-contractor-data-nhs-watchdog>

<sup>9</sup> Inquest: Inquest jury concludes that failures by the police, SERCO and Forensic Medical Examiner contributed to the death of Sivaraj Tharmalingam <http://www.inquest.org.uk/media/pr/inquest-jury-concludes-that-failures-by-the-metropolitan-police-service-a-f>

<sup>10</sup> Guardian 19 Dec 2013 Offender tagging: Serco to repay more than £68m in overcharging <http://www.theguardian.com/business/2013/dec/19/offender-electronic-tagging-serco-repay-68m-overcharging>