

Securitas profile

by

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A report commissioned by the Public and Commercial Services Union (PCS)

The Public Services International Research Unit (PSIRU) investigates the impact of privatisation and liberalisation on public services, with a specific focus on water, energy, waste management, health and social care sectors. Other research topics include the function and structure of public services, the strategies of multinational companies and influence of international finance institutions on public services. PSIRU is based in the Business Faculty, University of Greenwich, London, UK. Researchers: Prof. Steve Thomas, Dr. Jane Lethbridge (Director), Emanuele Lobina, Prof. David Hall, Dr. Pauline McGovern, Dr. Jeff Powell, Sandra Van Niekerk; Dr. Yuliya Yurchenko

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Securitas profile

Background

This report was commissioned by PCS in response to the announcement that Securitas has been awarded the contract for Security and Visitor Services at the National Gallery. PCS members at the National Gallery have taken over 50 days of strike action since the beginning of the year against plans to privatise visitor services and security. The privatisation will impact 400 of 600 staff in the Department of Visitor Services and Security, and the Department of Visitor Engagement. This includes the security of paintings, dealing with the public and requests for information about the collections, complaints, and school bookings. Securitas UK is owned by Securitas AB, based in Sweden.

Aim

To provide a company profile of Securitas UK and Securitas AB.

Objectives

1. To outline company structure and key financial data.
2. To identify the track record in visitor services as well as more core security functions
3. To identify any contracts with civil service or related public bodies.
4. To identify tax liabilities, with any evidence of tax avoidance/evasion.
5. To document industrial relations and trade union recognition particularly with regard to any transferred public sector contracts and respect to TUPE obligations and zero hours contracts.
6. To identify any union agreements which PCS might be able to draw upon, including global framework agreements, works council agreements or with individual unions particularly in the UK.

Securitas UK – company structure and finances

Securitas Security Services (UK) Limited

Address: St James House, 13 Kensington Square, London W8 5HD

Telephone:

Email: info@securitas.uk.com

Phone: 0800 716 586

Website: www.securitas.com

Securitas UK is registered at Companies House as having four subsidiaries:

Public Services International Research Unit (PSIRU), Business Faculty, University of Greenwich, UK

- Securitas Security Personnel Limited
- Securitas Security Services (Scotland) Limited
- Securitas Security Services Limited
- Securitas Security Services (UK) Limited

Securitas Security Services (UK) Limited is the only very large company and employs the majority of the over 15,000 employees.

Securitas UK provides a broad range of services that focus on security and customer segmentation, including “specialised guarding, technology solutions and consulting and investigations”¹ and offer customised solutions to suit clients’ needs. The potential requirements for the National Gallery cross-cut many of Securitas UK’s services, including:

- telephone and reception services;
- specialised guarding;
- track and trace and lone work protection;
- monitorings;
- a range of mobile security services such as key holding and patrols.

Companies House data shows that Securitas Security Services (UK) Limited has grown substantially during the years of the UK recession in both turnover and number of employees. The gross profit has risen overall between 2007 and 2014 with a dip in 2010 and 2011 (see Table 1, all years are dated 31st December, all in £ thousands and Figure 1).

Table 1: Securitas Security Services (UK) Limited, key financials (ORBIS)

	2014	2013	2012	2011	2010	2009	2008	2007
Turnover	£329,871	£338,401	£350,680	£205,199	£219,161	£222,681	£206,263	£181,669
Gross profit	£41,951	£41,871	£40,878	£25,797	£34,159	£38,344	£38,829	£37,396
Employees	14,014	14,707	15,025	7,383	8,538	8,640	7,994	7,119

This is a private limited company and appears not to be listed on the Stock Exchange. It has three subsidiaries: Goldrange Limited; Project Security Limited; and Securitas Aviation Services Limited. It is 100% owned by Securitas Services Holdings UK Limited (domestic ultimate owner). No shareholders are listed for this Holdings Company except the worldwide owner.

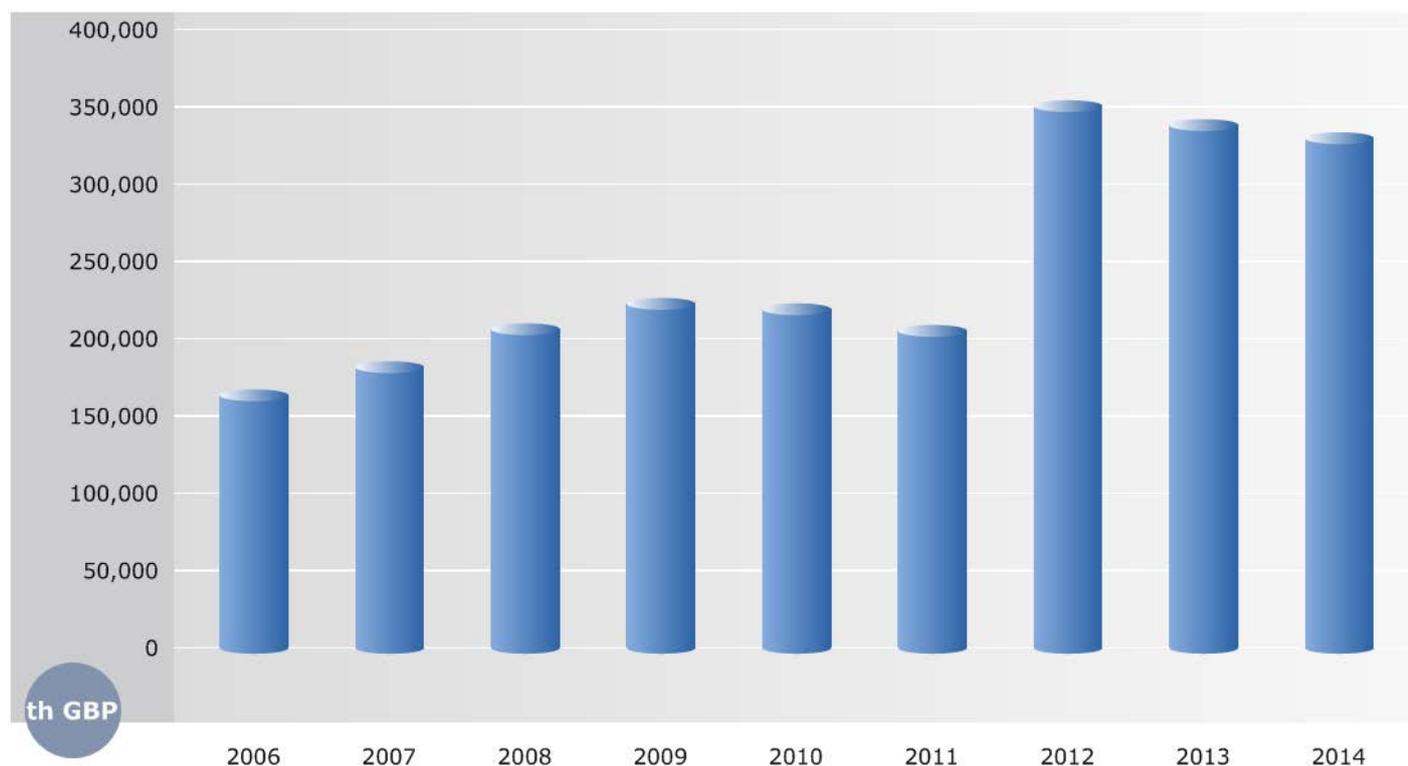


Figure 1: Securitas Security Services (UK) Limited - operating revenue 2006-2014

Directors

John Joseph Collins – Director since 10/11/2010

Shaun William Kennedy – Director, Occupation: Chief Operating Officer since 14/06/2013

Brian Riis Nielsen – Director since 01/01/2014

GOODWILLE LIMITED – Company Secretary since 11/01/2011

Securitas AB company structures and finances

Securitas AB

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70, 102 28 Stockholm, Sweden

Telephone: +46 10 470 30 00

Fax: +46 10 470 31 21

Email: info@securitas.com

Website: www.securitasgroup.com

The ultimate owner worldwide (GUO) of Securitas UK is Securitas AB. Securitas AB is listed on the Nasdaq OMX – Stockholm as the main exchange with market capital of £2,792 million. There are 78 current shareholders listed on the ORBIS dataset (as at 31/12/2014). The largest shareholder is Investment AB Latour (Sweden) with 30% holding.

Securitas was founded in 1934 in Helsingborg, Sweden. Securitas was acquired by Investment AB Latour in 1983. It has been listed on the Stockholm Stock Exchange's A-list since 1991 and included in the OMXS30. Securitas acquired Pinkerton and Burns Security and other security companies in the US in 1999 and became one of the largest security companies in the world. Currently, Securitas AB has 360 subsidiaries worldwide.

The *Securitas Annual Report 2014* indicates that Securitas AB employs almost 320,000 people in 53 countries throughout North America, Europe, Latin America, the Middle East and Asia. There are three business segments: Security Services North America; Security Services Europe; and Security Services Ibero-America. ORBIS data for 2014 indicates that Securitas AB has 80 subsidiaries, of which 38 are wholly owned by Securitas.

The data suggests that Securitas (UK) Limited reflects the European trend in Securitas AB. The strategy of Security Services Europe segment of Securitas AB has been to strengthen its organisation and grow in all countries of operation. By 2014, the European segment of their security market had recovered after two years of decline and this is reflected in the data on turnover for Securitas Security Services (UK) Limited.

Directors

There are 28 listed Directors (ORBIS, 2014). The first four are:

Mr Alf Goran Goransson – Member of Board of Directors, President and Chief Executive Officer, Executive Director since 08/03/2007

Mr Melker Yngve Georg – Chairman of Board of Directors since 1993

Mr Carlstrom Douglas – Vice Chairman of Board of Directors since 2008

Ms Mirja Andersson - Deputy Director, Employee Representative since 2013

Contracts with civil services or other public bodies

Securitas has recently taken on new contracts with the London Fire Brigade (LFB), including the provision of specialist guarding services called the Emergency Fire Crew Capability (EFCC). With 200 workers, the EFCC provides contingency cover for the LFB. It has been called out 48 times since September 2013, ² including 9 during industrial action. ³ Securitas has worked with the London Fire Brigade since 2009, when the Civil Contingencies Act made it mandatory for services to have contingency support available. ⁴

Securitas also provides 'specialist crime scene guards' for police forces in Dorset, Devon and Cornwall, and Avon and Somerset. This support costs up to 75% less than it would cost the police. ⁵ Securitas is moving into several parts of the public sector, with some increasingly specialised roles which effectively undercut public sector provision.

Tax issues

Forbes reported a successful tax avoidance scheme by Securitas Holdings Inc. in the USA from 2002/2003.⁶ The IRS tried to prosecute the company but the case was thrown out by the Tax Court. Basically, Securitas, for whom insurance is the second-largest expense, set up their own insurance company in Vermont. They paid over \$77million in 2002 and nearly \$57million in 2003. Securitas took deductions for these amounts to their captive company and then allowed some money in the captive to be loaned out for use by its operating subsidiaries.

This is circularity – effectively Securitas' captive was insuring Securitas which was insuring it. It was not a real insurance company. The Tax Court threw out the argument of the IRS because they believed that the insurance company was adequately capitalised to pay claims. Forbes is of the opinion that this is tax evasion – the insurance company was a tax shelter.

Zero hours contracts

The minutes of a GMB (North West and Irish branch) National Negotiating Committee meeting with the Securitas SMT in June 2015 reported that "new job adverts were currently showing on the Securitas website for zero hours contracts. The company advised that immediate action would be taken to remove those adverts and that they

would work with GMB on identifying and addressing any issues where it was found that zero hours were in operation.”⁷

On 3 September 2015 the ‘Change Work Now’ website was advertising jobs with Securitas in Croydon as “Zero hours and weekend support officers Securitas: United Kingdom 4,577 reviews - London £7.14 an hour. Zero hours and weekend support officers required to work in the London and surrounding areas, to include Wandsworth, Clapham, Tooting, Wallington, Worcester...”⁸ Although it is company policy not to use zero hour contracts, the practice is not fully implemented.

Industrial relations and trade union recognition

In 2012, Securitas AB signed a global agreement with UNI Global Union and Swedish Transport Workers’ Union.⁹ The main commitments by Securitas to employees are:

- Pay fair wages and provide reasonable working hours, to meet or exceed minimum employment laws and regulations in each country;
- Supports and works towards a ‘living wage’ – ‘work towards the goal that such wages and benefits should be at least adequate to satisfy the basic needs of the workers and their families as set out in the OECD Guidelines’;
- Supporting joint projects with the union to raise standards for security guards in particularly challenging markets;
- When Securitas takes on new employees through an acquisition and agrees that pay and all other conditions of employment remain the same or be improved, the union will in turn promote Securitas as an employer who offers job security and take steps to prevent disruption to the business.

The US trade union Service Employees International Union (SEIU) have, over the last 10 years, started to organise Securitas employees in the US as part of a wider campaign, ‘Stand by Security’, to organise security workers. Some of their initial negotiations were strengthened by drawing attention to the collective agreements which Securitas has in Sweden and other European countries. For example, Securitas worked with Finnish Trade unions to set up a Finnish Guard Training Centre. In Austria, Securitas developed a basic training course and negotiated with trade unions to have it placed their collective bargaining agreement.¹⁰ A recent SEIU local contract 2013-2016, to which Securitas is a signatory, can be found [here](#).

Conclusions

- **The threat of reductions and de-skilling of the workforce at the National Gallery.** Securitas UK appears to follow the market trend of Securitas AB's Security Services Europe segment. Alf Goransson, the Divisional President of Security Services Europe argues that: 'society will move towards an increased use of technology in security solutions in order to improve services as well as cost efficiency. This will likely result in a consolidation of the industry in many countries' providing 'better solutions at lower cost'.¹¹ For the National Gallery, there is potential for reductions in the security and visitor services workforce and also the de-skilling of existing workforce in the medium term.
- **The use of existing global agreements in PCS negotiations.** The global agreement between Securitas AB with UNI Global Union and Swedish Transport Workers' Union applies to companies over which Securitas AB has direct control as an owner (has a controlling influence). It may be relevant for PCS in negotiations. The commitments include meeting or *exceeding* minimum legal requirements and joint projects with unions to raise standards of employment of employees. Another negotiating strategy may be for PCS to promote Securitas as a good employer in return for protection of existing terms and conditions of service at the National Gallery as this also is mentioned amongst the commitments of the global agreement.

¹ www.securitas.com

² London Fire and Emergency Planning Authority (2015) Vehicles and Equipment Services and Emergency Fire Crews Contracts Updates – September 2014 to December 2014 FEP 2424 <http://moderngov.london-fire.gov.uk/mgconvert2pdf.aspx?id=3920>

³ Securitas (2014) Securitas to showcase specialist solutions at IFSEC International 2014 <http://www.securitas.com/uk/en-gb/News/Securitas-news-in-2010/Securitas-to-showcase-specialist-solutions-at-IFSEC-International-2014/>

⁴ Securitas (2014) Securitas to showcase specialist solutions at IFSEC International 2014 <http://www.securitas.com/uk/en-gb/News/Securitas-news-in-2010/Securitas-to-showcase-specialist-solutions-at-IFSEC-International-2014/>

⁵ Securitas (2014) Securitas to showcase specialist solutions at IFSEC International 2014 <http://www.securitas.com/uk/en-gb/News/Securitas-news-in-2010/Securitas-to-showcase-specialist-solutions-at-IFSEC-International-2014/>

⁶ Captive Insurance Companies http://www.captiveinsurancecompanies.com/cases/securitas/securitas_taxctop

⁷ GMB Northwest (2015) Meeting between NCC and SMT Securitas <http://www.gmbnorthwest.co.uk/news/update-your-nnc-reps/news-bulletin>

⁸ Change Work Now (2015) Zero hours and weekend support officers <http://isw.changeworknow.co.uk/securitas/vms/e/securitas/positions/bzHWocZBvdiBy6F5MpZtb?source=ContactSources.IJB&SpecificSource=ContactSources.IJB.SpecificSources.Indeed>

⁹ Global Agreement between Securitas AB – UNI Global Union - Swedish Transport Workers Union www.securitas.com/global/ DotCom/CSR/Global Agreement UNI Nov2012.pdf

¹⁰ <http://standforsecurity.org/why-a-union/>

¹¹ Securitas (2014) Annual Report p. 17