**Ambulance, emergency and firefighting services in Europe**

 **Increasing commercialisation?**

**by**

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| **EXECUTIVE SUMMARY**This paper examines the extent to which ambulance, emergency and firefighting services in Europe are threatened by the processes of commercialisation and privatisation. There are different traditions of provision of ambulance, emergency and firefighting services in European countries. They can be analysed in terms of providers of services but also the extent to which services are publicly funded and free at the point of delivery. In some countries, fire-fighting is traditionally done by volunteers. In others, the for-profit sector has been a provider for many years. Ambulance services are sometimes run by not-for-profit providers, such as the Red Cross. However, in the majority of countries ambulance, emergency and fire-fighting services are publicly funded and delivered by the public sector.With new developments in medical treatments and surgical techniques, pre-hospital emergency care has become recognised as playing an important role in healthcare.[[1]](#endnote-1) This has led to international debates about the role of ambulances in emergency medicine, which focus on whether trauma patients should be taken to hospital as quickly as possible or whether they should be treated at the scene of the accident or incident.[[2]](#endnote-2) Countries differ in their approach to the use of ambulances but countries which focus on treating patients at the scene of accident/incident have introduced multi-disciplinary ambulance teams which often include doctors, nurses, paramedics and drivers. Training for emergency medicine has become more focused and increasingly professionalised. National arrangements for ambulance and emergency medical services are influenced by the historical background to the provision of emergency services. Some countries still use large numbers of volunteers. Other countries are increasing the professionalization of emergency medical services, which is creating highly trained ambulance teams.Recent changes in healthcare systems, including contracting out of services, is beginning to impact on the ambulance and emergency medical services. The United Kingdom has contracted out patient transport over the last ten years but there are indications that a for-profit ambulance sector is developing. Falck, the Danish provider, has expanded into several European countries since 2000 and in the last three years the company has expanded into North and South America. Fire brigades also provide some ambulance services in Denmark, Norway, Portugal and Sweden. Fire services are increasingly being merged with emergency, civil defence or disaster management services and are taking on a wider range of tasks and responsibilities. Ambulance and firefighting services are still predominantly provided by the public sector in Europe. There are developments that show that processes of commercialisation are beginning to impact on these services. The expansion of Falck as the largest European provider of ambulance and firefighting services into several European countries shows that contracting out to the private sector is expanding. The example of G4S shows that a company that provides outsourced services to the public sector can expand into non-emergency ambulance service provision as part of its work in the healthcare sector. The development of emergency medical services as a specialist service provides an opportunity to outsource these services to for-profit providers alongside other clinical outsourcing. The expansion of Falck is most specifically focused on ambulance and fire-fighting services but the company is also making small investments in medical centres, which suggests that it is testing the market for wider healthcare service provision.  |

**Ambulance, emergency and firefighting services in Europe – increasing commercialisation?**

This paper examines the extent to which ambulance, emergency and firefighting services in Europe are threatened by the processes of commercialisation and privatisation. This builds on a paper ‘Privatisation of ambulance, emergency and firefighting services in Europe – a growing threat?’ which identified some countries where some early forms of contracting out were being introduced to ambulance and firefighting services and the extent of multinational company involvement.[[3]](#endnote-3)

There are different traditions of provision of ambulance, emergency and firefighting services in European countries. They can be analysed in terms of providers of services but also the extent to which services are publicly funded and free at the point of delivery. In some countries, fire-fighting is traditionally done by volunteers. In others, the for-profit sector has been a provider for many years. Ambulance services are sometimes run by not-for-profit providers, such as the Red Cross. However, in the majority of countries ambulance, emergency and fire-fighting services are publicly funded and delivered by the public sector.

1. **Ambulances and emergency medical services**

With new developments in medical treatments and surgical techniques, pre-hospital emergency care has become recognised as playing an important role in healthcare.[[4]](#endnote-4) This has led to international debates about the role of ambulances in emergency medicine, which focus on whether trauma patients should be taken to hospital as quickly as possible or whether they should be treated at the scene of the accident or incident.[[5]](#endnote-5) Countries differ in their approach to the use of ambulances but countries which focus on treating patients at the scene of accident/incident have introduced multi-disciplinary ambulance teams which often include doctors, nurses, paramedics and drivers. Training for emergency medicine has become more focused and increasingly professionalised.

Table 1 shows the types of provision and funding arrangements for ambulance services (emergency and patient transport) in thirteen countries in Europe. These illustrate the different patterns of provision in many countries which include public provision but also include provision that is contracted out to for-profit and not-for-profit providers. Some not-for-profit providers use volunteers. The fire services are also a provider of ambulance services in Finland, Norway, Portugal and Sweden. Most ambulance and emergency medical services are publicly funded.

One of the differences between European countries is the existence of a national emergency number. The lack of a national emergency number is an indication that ambulance and emergency medical services are the responsibility of regional/ country or local authorities with no overall national/ federal direction. In many Central and European countries and countries of Southern Europe, recent legislation has established protocols for emergency medical services as part of the creation of a national health service (Greece and Portugal) or part of a reformed health system (Poland, Lithuania, Croatia). This reflects some of the changes in approach to emergency medical services which focus more on treating patients at the point of the accident/ incident and coordination from emergency call centres.

**Table 1: Provision of Ambulance and Emergency Medicine Services (EMS) in Europe**

|  |  |  |
| --- | --- | --- |
| **Country** | **Providers of Ambulance and Emergency Medical Services (EMS)** | **Accessibility** |
| **Austria**  | * Vienna Emergency medical services EMS (“Wiener Rettung”)
* Austrian Red Cross;
* Arbeiter Samariterbund;
* Johanniter;
* Malteser.

Helicopter provision privatised in 2001 now provided by Austrian Automobile & Touring Association | Austrian Social Insurance Act covers costs of ambulance services. Ambulance services have contracts with insurance companies. No national legal protocols.[[6]](#endnote-6) |
| **Bulgaria** | 28 ambulance centres | Ambulance care financed by state. Rules of procedure for Centre for Emergency Medical Care Decree No 25 4.11.1999 [[7]](#endnote-7) |
| **Croatia [[8]](#endnote-8)** | EMS centres or EMS units within county health centres are required to provide emergency medical care in their locality | Emergency transport is provided 24 h a day for all acutely ill or injured people |
| **Denmark [[9]](#endnote-9)** | 14 counties are responsible for hospitals including the EMS and the private sector.  | Counties have wide-ranging powers to organize the health services for their citizens |
| **Finland [[10]](#endnote-10)** | 450 administratively independent municipalities are responsible for providing basic health care and emergency medical services. Municipalities may contract with the local fire brigade or a private entrepreneur. | Health care, including the EMS, is publicly funded, and a nominal fee is charged for a visit to the health centre or for ambulance transport. |
| **France[[11]](#endnote-11)** | The *Service d’Aide Médicale d’Urgence* (SAMU) is the agency responsible, at regional level, for the management of ‘out of hospital’ emergencies. There are 105 regional SAMUs. |  |
| **Germany[[12]](#endnote-12)** | Local communities and cities are responsible for the ground based Emergency Medical Services (EMS). Non-profit making organisations, e.g. the German Red Cross or for-profit providers are commissioned to deliver the services. | Everyone has the right to receive qualified help, if necessary by an emergency physician, at any time of the day. |
| **Greece[[13]](#endnote-13)** | In 1986, the personnel and equipment of the Social Insurance Institute (IKA) and Red Cross first aid stations were merged into KAB, and 166 became the common access national telephone number. Greek EMS, (Ethniko Kentro Amesis Boitheias - EKAB), National Centre for Emergency Care, was established in 1987 (national law 1579 (1985)).  | Greek EMS services are free of charge for all citizens because it is funded by the National Health Care System passed in 1985. |
| **Lithuania [[14]](#endnote-14)** | 265 emergency teams operate day-time and 210 night-time in Lithuania from 63 ambulance stations. In 2002 the Concept of Ambulance Services was adopted by the Ministry of Health which reequipped ambulances, established paramedics and hospital emergency departments. Ambulances are also used as ‘doctor on call’ in place of general practitioners. | Emergency care in Lithuania is free of charge and financed from the State Patient’s Fund and by the Government (for citizens without health insurance). Territorial Patients’ Fund pay ambulance care institutions. |
| **The Netherlands** | 2008 Ambulance care Act made regional ambulance care facility responsible for each of 25 regions | Covered by health insurance system. [[15]](#endnote-15) |
| **Norway [[16]](#endnote-16)** | One toll free phone number (113) is used to access the EMS system through one of the emergency medical communication centres (EMC)**.** 40 EMCs across Norway but a 50% reduction is expected in the near future. The ground ambulances are owned and operated, on behalf of the five regional health enterprises, by for-profit and public bodies like hospitals, fire brigades, limited companies, private individuals, and voluntary organisations. | Publicly funded. |
| **Poland [[17]](#endnote-17)** | In 1995 the State Emergency Care and Fire-fighting System (SECAFS) was created to standardise the rescue functions formerly carried out by the State Fire-fighting Service. The Act of the State Emergency Care (2007) regulates the emergency service system and ensures financial support for emergency departments. The Act makes the provincial governors responsible for the activity of local emergency medical services.  | Emergency medical care is 99% state-financed and co-operates with the State Emergency Medical Care and Fire-fighting Services. Ambulance providers contract with National Health Fund.[[18]](#endnote-18)  |
| **Portugal [[19]](#endnote-19)** | Emergency Medical Services (EMS) started in late 1980’s, systems spread rapidly to most urban centres across the country 112 is now the free common telephone number to access all emergency services, including fire, police, and EMS**.** Ambulances are based in the police headquarters, fire service departments and Red Cross facilities.  | Publicly funded |
| **Sweden [[20]](#endnote-20)** | EMS services are dispatched from 20 dispatch centres with 112 as a common emergency phone number. The dispatch centres, SOS Alarm centres, are funded by the government but run as an independent company with a consultant as medical director. County EMS services run by for-profit ambulance companies (8) and local fire departments (6) | Publicly funded |
| **United Kingdom[[21]](#endnote-21)** | 38 Ambulance Services. Patient transport increasingly contracted out to for-profit providers. Some use of for-profit ambulance companies to support London Ambulance Service. | Emergency services provided free as part of the NHS |

**1.1 National changes**

UK

Over the last decade there has been an increase in the contracting-out of patient transport services to for-profit providers. Non-emergency ambulance services are provided by several companies, for example, G4S, Medical Services (Lewis Day). In October 2012, proposals were announced for outsourcing of patient transport services in the East Midlands. In 2012, a contract to run Greater Manchester patient transport services was given to Arriva (a bus company) on the basis of cost, although the in-house bid performed better on quality.[[22]](#endnote-22)

Until now, outsourcing of ambulance services has only affected non-emergency services such as patient transport services for patients who are unable to travel to hospital alone. However, during the Olympics in July 2012, the London Ambulance Service signed contracts with four private firms, which had up to 50 vehicles a day available in London during the Olympic and Paralympic Games. The value of these contracts was £882,137, funded by the Department of Health. The four companies were X9 Healthcare, AST Ambulance Service, Thames Ambulance Group and Lifecare Medics, all based in the UK. London Ambulance Service had already been using three of these private companies to provide ambulance support during peak periods on Friday and Saturday nights, when there is an increase in emergency calls because of alcohol-related problems.[[23]](#endnote-23)

An indication of how the private ambulance sector is expanding in the UK can be seen in two recent developments. Medical Services (Lewis Day) used to be a part of a large courier company, the Lewis Day Transport group. Due to the increased demand for medical services, Lewis Day Transport Group set up an independent company in April 2011 called Medical Services, which now has over 1,000 employees in the south east of England, providing non-emergency ambulance services.

A second development was the creation of the Independent Ambulance Association in 2012, which aims to represent the interests of the for-profit ambulance sector to healthcare policy makers in the UK. In 2011, the Care Quality Commission introduced regulations to register and monitor the independent ambulance sector, an indicator of a growing presence.

As an indication of a potential move into ambulance services, Serco, a UK company that since 2004 has expanded into outsourced healthcare contracts, recently published an article about the success of Falck, a private provider of ambulance services in Denmark in a publication of the Serco Foundation. Since 2004, Serco has been awarded contracts for ‘out of hours’ GP services, community health services, and pathology services. The quality of services in some of its ‘out of hours’ services [[24]](#endnote-24) and pathology services have been strongly criticised. [[25]](#endnote-25)

Germany

The not-for-profit sector has been a major provider of ambulance services, commissioned by local authorities. European for-profit ambulance providers had been increasingly critical of this arrangement and made several complaints to the European Court of Justice (ECJ) about the way in which contracts for emergency and patient transport services were made in Germany. They argued that public procurement rules had been followed because contract notices were not published at EU level and contracts were not awarded transparently.

The German ambulance and rescue services sector has been strongly influenced by the Ambulanz Glöckner v Landkreis Südwestpfalz case in 2001.**[[26]](#endnote-26)** In this case, Ambulance company Glöckner challenged the local authorities in Rheinland-pfalz on their refusal to renew the contract that Glöckner had been given in 1990, on the grounds that the monopoly of existing medical aid organisations (non-governmental organisations), currently running public ambulance service and patient transport services, was incompatible with EU rules on competition. The court found that medical aid organisations responsible for running public ambulance services are ‘undertakings’, which are subject to EU competition law but the court found that they have a ‘special or exclusive right’ due to the protection given to them for transporting (emergency and non-emergency cases), which would affect the capacity of other ‘undertakings’ to carry out this economic activity. It was left to the German court to determine whether this was ‘an abuse of a dominant position’ which if established would cover a significant part of the market. [[27]](#endnote-27)

The court also found that the medical aid organisations did have a ‘task of general economic interest’ which consisted of an obligation to provide emergency and patient transport services at uniforms rates and quality standards, without consideration of individual situation or profitability of

each individual operation. In this context, the restrictions or exclusions of competition would be allowed if they were necessary for the tasks to be performed. Medical aid organisations use income from patient non-emergency transport services to subsidise emergency patient transport services. The German court had to decide whether the restriction placed on non-emergency transport services is necessary for medical aid organisations to operate and carry out their tasks in the general interest in economically acceptable conditions. If they are unable to do this, then private / independent operators should be allowed to operate. [[28]](#endnote-28) This ruling clarified the distinctions between providers, public authorities and sickness funds and the differences between emergency ambulance service and patient transport services.

The Ambulanz Glöckner v Landkreis Südwestpfalz ruling provided a context for continued challenges by private providers to national courts. In 2008, the German Federal Court of Justice ruled that ambulance services must be awarded through the use of a public procurement process. In 2010 (29 April 2010), the ECJ ruled that local authorities had to award tender contracts for public emergency ambulances through a public procurement procedure, “Submissionsmodell”, because ambulance services were not considered to be part of local authority’s ‘official authority’. [[29]](#endnote-29)

There was still a lack of clarity about the position of ambulance service concessions ‘Konzessionsmodell’ where the costs of the service were paid by social security institutions rather than the local authority. In 2011, the ECJ ruled that a contract for emergency rescue services was a ‘service concession’ and outside the scope of the procurement directive. [[30]](#endnote-30) When the service provider is dependent on payment not by the local authority but by a third party (social insurance payer) then this carries a risk to the provider and so the arrangement is a concession. Although this second ruling meant that not all emergency ambulance service contracts are subject to public procurement legislation, this still affects some local authority contracts. In July 2012, Falck, the Danish ambulance provider won its first two contracts in Germany. In November 2012, Falck was reported to see opportunities in Germany as a result of the 2010 ECJ ruling.[[31]](#endnote-31) [[32]](#endnote-32) The 2010 and 2011 ECJ rulings have brought about further legislative changes. More and more Länder are moving from the ‘Submissionsmodell’, a type of service contract model, towards the second model ‘Konzessionsmodell’, in the format of a service concession, by adapting both the regional legislation already in place and their current practices of service delegation.

There are political reasons for these changes in that they allow government authorities to have an overall control of the sector and to keep ambulances services as a “general interest” activity, in the majority of cases provided by medical aid organisations/ non-governmental organisation. It also avoids the need to put contracts out to tender, subject to public procurement rules. It enables government authorities to establish basic quality standards for ambulance response rates, for example, ‘an ambulance needs to arrive within 12 minutes’ (Sachsen-Anhalt). [[33]](#endnote-33) [[34]](#endnote-34) [[35]](#endnote-35)

Italy

The Italian government is proposing to reorganise Red Cross emergency services in 2012. Two public sector federations, the FP CGIL and UIL PA, mobilised members because the proposed change in status of the organisation is a form of privatisation, which will threaten jobs.[[36]](#endnote-36)

Romania

In Romania, the Association of Private Ambulance Services was set up in 2009 to campaign for recognition of the role that private/ for-profit ambulances could contribute to the national emergency system. It claims that the €3 million a year paid to 50 private ambulance companies for 700,000 patient journeys is not enough and is lobbying the Romanian government for additional funding. [[37]](#endnote-37)

Slovakia

In 2006, Slovakia was the first EU member state to invite tenders for all ambulance services. Falck won the first round of contracts for 36 ambulance stations, and in a second round, the company also won a further 37 licences, corresponding to 37 new ambulance stations (Borsen, 20 March 2006). Falck’s operation in Slovakia was carried out in a joint venture with a Slovakian partner, the Penta investment company. Falck holds a 51 per cent stake in the new ambulance company Falck Zachranna (Falck Redning). On 19 December 2008, the Slovak Anti-Monopoly Office (PMU SR) allowed Falck SR, a subsidiary of Falck Danmark, to acquire 49.11% of Falck Zachranna, from Penta, a Slovak investment group. [[38]](#endnote-38) Falck has continued to win new ambulance contracts in Slovakia.[[39]](#endnote-39)

Conclusion

National arrangements for ambulance and emergency medical services are influenced by the historical background to the provision of emergency services. Some countries still use large numbers of volunteers. Other countries are increasing the professionalization of emergency medical services, which is creating highly trained ambulance teams.

Recent changes in healthcare systems, including contracting out of services, is beginning to impact on the ambulance and emergency medical services. The United Kingdom has contracted out patient transport over the last ten years but there are indications that a for-profit ambulance sector is developing. Falck, the Danish provider, has expanded into several European countries since 2000 and in the last three years the company has expanded into North and South America. (see Section 3.1 for Falck profile).

1. **Fire-fighting and emergency services**

Fire-fighting and emergency services in the majority of European countries are part of public services although many countries have large numbers of voluntary or reserve firefighters.

The numbers of professional and voluntary fire-fighters vary and are influenced by the local / regional or national traditions of fire-fighting as well as the fire risks of particular countries. In some countries such as Germany, Austria and Netherlands there are still large numbers of volunteer fire-fighters. However in the majority of countries, fire-fighting is becoming a more professionalised service with increased training. Fire-fighters have a unique type of work, involving rapidly changing conditions, which is exempted from the requirements of the EU Framework Directive 391 on Safety and Health at Work although occupational health risks still need to be addressed with protective measures. [[40]](#endnote-40)

Table 2 shows the numbers of professional and voluntary firefighters in several European countries. Countries can be grouped according to firefighting services being provided a) only by professional firefighters, b) by majority professional firefighters with some voluntary firefighters and c) by mainly voluntary firefighters.

Finland, Denmark and Slovakia have some private fire fighting provision. As outlined in the Ambulance section, fire brigades also provide some ambulance services in Denmark, Norway, Portugal and Sweden. Fire services are increasingly being merged with emergency, civil defence or disaster management services and are taking on a wider range of tasks and responsibilities.

At EU level, there have been recent legislative changes in relation to the Civil Protection Mechanism, which impact on national emergency and rescue services. The 2010 Commission Communication 'Towards a stronger European disaster response: the role of civil protection and humanitarian assistance' [[41]](#endnote-41)and the 2009 Communication on 'A Community approach on the prevention of natural and man-made disasters' [[42]](#endnote-42) informed this recent change. The aim of the Civil Protection Mechanism ‘is to support, coordinate and supplement the actions of the Member States in the field of civil protection in improving the effectiveness of systems for preventing, preparing for and responding to natural and man-made disasters of all kinds within and outside the Union’. [[43]](#endnote-43) It will achieve this through maintaining a high level of protection against disasters by preventing or reducing their impact as well as creating a culture of prevention. It will improve the state of preparedness in response to disasters and facilitate rapid and effective emergency response interventions to major disasters. This provides a framework for national investments in emergency and rescue services in terms of infrastructure and services.

Some of the changes that are taking place in fire fighting services and the new approaches to emergency planning and management provide opportunities for private sector involvement in these basic public services. The development of risk management, emergency planning and training are all services that can be contracted out to the private sector.

**2.1 National changes**

UK

The for-profit sector has become involved in the emergency and firefighting services in several ways: direct provision; provision of equipment through leasing and maintenance; provision of training and; outsourcing of call centres. This shows that there is a process of commercialisation of the different parts of the fire service taking place.

In the UK, a company that owned the leasing and maintenance contracts for fire authorities in London and Lincoln, called AssetCo, was sold to a private equity company, AB & A Investments in 2012. Unions were critical of this change in ownership because it took control of resources away from publicly accountable authorities.[[44]](#endnote-44) In 2012, the UK government announced that the Fire College, the training centre for fire fighters, was to be sold. It had been run by a trust since 1992 and had showed losses over the last few years. The government was unwilling to take over the management. [[45]](#endnote-45) As further evidence of a process of commercialisation, in March 2012, the London Fire Brigade call centre was outsourced to Capita, a company specialising in public sector contracts. [[46]](#endnote-46)

**Table 2: Provision of fire services and numbers of fire fighters by country**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Country** | **Professional fire fighters**  | **Voluntary fire fighters** | **Provision/ responsibility** | **Training** |
| Belgium | 5,000 | 12,000 |  |  |
| Croatia | 24,000 | 60,000 but 5,000 operational |  |  |
| Denmark | 1,217 | 2,952 and3 221 employed by FALCK and 1 554 unpaid volunteers  |  |  |
| Estonia | 1,600 | 100 |  |  |
| Finland | 2,940 | 19,400  | Municipal responsibility and contracting out to private sector e.g. Falck |  |
| France | 39,200 | 197,800s |  |  |
| Germany | 35,000 | 1 million  | Municipal responsibility |  |
| Greece | 8,740 full time5,500 seasonal firefighters |  |  | 2 tier entry |
| Ireland | 1,206 full time1,952 retained part time |  |  | Training by Fire Service CollegeSingle entry  |
| Italy  | 26,000  | 7,000 | 28,000  |  |
| The Netherlands | 4,000 | 21,000 |  | 1991 Fire & Civil Protection Institute set up Diploma in firefighting and fire protection Increasing training at basic and advanced level at regional training colleges 2 tier entry |
| Portugal | 3,000  | 26,000 |  |  |
| Romania | 41,407 firefighter1.237 auxiliary staff assigned | 613 from public, community volunteer services |  |  |
| Slovakia | 4,296 | 10,000 | 14,296 |  |
| Spain | 19,886 | 3,437 |  |  |
| Sweden | 5,000 | 9,000 |  |  |
| United Kingdom | 42,324 professional firefighters |  |  | Training by Fire Service College – increasingly professionalised |

Sources: Scandella F. (2012) Firefighters: Feeling the heat Brussels: ETUI/EPSU ; European Agency for Health & Safety at Work (EU-OSHA) (2011) Emergency Services: A Literature Review on Occupational Safety and Health Risks Luxembourg: Publications Office of the European Union, 2011

1. **Company profiles**

Two companies, Falck and G4S, have a growing role in emergency services provision in Europe. Falck provides emergency ambulance services and firefighting services in several European countries. G4S is a global security company, which had diversified into public service provision, including ambulance services.

1. **3.1 Falck**

**Ownership**:

Lundbeck Foundations 57%

KIRKBI (owners Lego) 20%

Executive Management Board, Folksam (Swedish mutual insurance company), PFA (pension fund) 27%

Address:

|  |  |  |
| --- | --- | --- |
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**Employees:** 25,262 (2011)

**World Works Council**: 2005

Falck has four business areas: emergency, assistance, healthcare and training. Emergency services, which includes both ambulance and fire services, provided 53.6% of revenue in 2011, the largest contribution to total revenue. From 2007 to 2011 emergency services have increased their share of total revenue from 42.7% to 53.6%. Assistance has dropped slightly from 30.5% to 26.4% and Healthcare and training have both dropped to 10% of total revenue.

**Table 3: Revenue by business area (DKK million)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Business area** | **Rev****DKK** | **% of 2011** | **2010** | **% of 2010** | **% of total 2007** | **Revenue 2007** | **Revenue 2006** |
| **Assistance****Roadside assistance, Healthcare plan, Home assistance Travel** | 2,693 | 26.4% | 2,470 | 29.4 | 30.5 | 1,913 | 1,779 |
| **Emergency – Firefighting & ambulance services** | 6,385 | 53.6% | 4,834 | 57.6 | 42.7 | 2,677 | 2,426 |
| **Healthcare****Employee health****Public health****‘Absence management’****Temporary health staff recruitment** | 1,112 | 10.0% | 1,196 | 14.3 | 14.7 | 924 | 435 |
| **Training****Rescue and safety courses, especially for staff in the offshore sector and the maritime sector** | 1,019 | 10.0% | 958 | 11.4 | 12.1 | 757 | 739 |
| **Other**  |  | - |  |  | - |  | 3 |
| **Group total** | 10,193 |  | 9,459 |  | 100 | 6,271 | 5,382 |

Source: Falck Annual Report, 2011/ Annual report 2010

Falck is the largest private ambulance company in the world. In Europe, it operates in

Denmark, Sweden, Finland, Germany, Belgium, Slovakia, Spain and the Netherlands

with public authorities. Falck also provides other services for the public sector, such as patient transport, and rehabilitation of patients from the public hospital sector. In Slovakia, Sweden, Poland and Belgium, it is the largest private ambulance operator.

Falck continues to expand its ambulance services in Europe. After acquiring Krankentransport Herzig, a German ambulance company based in Hamm, Germany,in 2011, Falck started to win public sector ambulance contracts in 2012. In Sweden, it has continued to expand revenue from ambulance contracts and also won a contract for running a home visiting GP service in the Scania region. In Spain in 2012 Falck with its Spanish partner, Grupo Dominguis, acquired a 75% stake in VL, an ambulance company based in Catalonia in eastern Spain that operates 70 ambulances.

In the last five years, Falck has expanded its ambulance work into North and South America by acquiring Lifestar Ambulance Corporation in the United States. In 2011, Falck bought 63.7% of Grupo EMI, the leading Latin American ambulance and home care group of companies and operates ambulance services in six Latin American countries (Panama, El Salvador, Ecuador, Uruguay, Colombia, Venezuela). Falck is in a joint venture with Tribeca Home Care Fund to explore joint business opportunities in Latin America. Falck owns 63.1% of the venture.

Falck is involved in running healthcare clinics in Poland. In 2011, the company acquired Starowka, a company which operates four medical clinics with general practitioners, specialists and out-patient treatment in Warsaw and central Poland. Falck now has 16 medical clinics in Poland. The company recently acquired Open Clinics, a company with four medical clinics, in Kazakhstan. The company has 230 employees and the clinics have four ambulances for emergency cases and home visits. Open Clinics was founded by the insurance company NSK, and Falck will continue to work with NSK after taking over Open Clinics.

The acquisition of clinics in Poland and Kazakstan is an indication of a move into health care provision although the percentage of revenues obtained from health care had dropped from 14.3% in 2010 to 10.0% in 2011. The move into running a home visiting GP service in Sweden also shows that the provision of ambulance and emergency medical services could provide an entry point into primary care and GP services. Falck has been involved in provision of occupational health services and ‘return-to work’ services In Denmark and is the largest private provider of these type of services.

Falck is also the largest global private firefighting company. Although the expansion of firefighting services has not been as rapid as that of ambulance services, Falck continues to expand in industrial firefighting. For example, Falck won new contracts for fire services at the Forsmark nuclear power plant and Arlanda and Sätenäs airports in Sweden. As an indication of expansion within public sector firefighting services, Falck signed a Memorandum of Agreement with Devon & Somerset Fire & Rescue Service and Falck EMS UK Ltd to develop ways of working together as preferred partners. [[47]](#endnote-47) It has continued to expand in Slovakia with two new five-year contracts in 2011.

The expansion of ambulances services into North and South America has changed the proportion of revenues that Falck received from different regions. Although European region still contributes the majority of company revenues, the proportion of revenue from outside Europe increased to 17.8% in 2011 from 5.3% in 2010.[[48]](#endnote-48) Similarly, 26% of Falck workers are outside Europe.

**Table 4: Revenue by geographical region**

|  |  |  |
| --- | --- | --- |
| **Country/ region** | 2011 | 2010 |
| **Denmark** | 53.6 | 63.3 |
| **Nordic Region** | 16.7 | 18.4 |
| **Europe** | 11.9 | 13.0 |
| **Rest of world (including North/South America)** | 17.8 | 5.3 |

Source: Falck 2010 Annual Report, 2011 Annual Report

**Table 5: Workers by country/ region**

|  |  |  |
| --- | --- | --- |
| **Country** | **Number of workers** | **% of workforce** |
| **Denmark** | 9,627 | (17,996)71% |
| **Poland**  | 2,982 |
| **Slovakia** | 1,732 |
| **Sweden** | 1,444 |
| **Norway** | 609 |
| **Spain** | 412 |
| **The Netherlands** | 374 |
| **Belgium** | 277 |
| **Romania**  | 221 |
| **UK** | 127 |
| **Germany** | 108 |
| **Finland** | 63 |
| **Estonia** | 20 |
| **United States** | 2,911 | 11.5% |
| **Central/South America** | 4,082 | 16% |
| **Rest of world** | 163 | 0.6 |
| **Total** | 25,262 |  |

Source : Annual report 2011

**Table 6: Revenues and EBITDA**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **2011** | **2010** | **2009** | **2008** | **2007** |
| **Revenue** | 10,193 | 8,367 | 7,529 | 7,066 | 6,271 |
| **EBITDA [[49]](#endnote-49)** | 1,306 | 1,119 | 989 | 842 | 815 |
| **Number of employees** | 25,262 | 19,174 | 16,457 | 16,044 | 15,083 |

Source: Falck Annual Report 2011

Falck has expanded its revenue over the last five years and has expanded its workforce from 15,083 in 2007 to 25, 262 in 2011. In 2005, Falck set up a World Works Council.

* 1. **G4S**

Ownership:

Address

G4S plc
The Manor
Manor Royal
Crawley
West Sussex
RH10 9UN

Tel: +44 (0) 20 8770 7000
or +44 (0) 20 8722 2000
Email: enquiries@g4s.com

<http://www.g4s.com/>

Total employees: 657, 200 (December 2011)

European Works Council: Yes

**Table 7: Numbers of workers by geographical segment**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Region | Number of employees 2011 | % of total employees | 2010 |  | 2009 | 2008 | 2007 |
| Europe | 123,200 | 19% |  |  |  | 114,216 | 115,951 |
| North America | 59,700 | 9% |  |  |  | 51,919 | 53, 414 |
| Asia  | 257,600 | 39% |  |  |  | 273,810 | 337,928 |
| Middle East  | 49,500 | 8% |  |  |  |
| Africa | 111,900 | 17% |  |  |  |
| Latin America and Caribbean | 55,300 | 8% |  |  |  |
| Total | 657,200 | 100% |  |  |  |  |  |

Source: G4S Annual Report 2011

**Table 8: G4S Secure solutions - Types of contract**

|  |  |
| --- | --- |
| **Type of contract** | % |
| Government | 32% |
| Major corporates & industrials | 29% |
| Financial institutions  | 9% |
| Private energy & utilities | 8% |
| Retail | 6% |
| Ports & airports | 5% |
| Consumers | 5% |
| Transport & logistics | 3% |
| Leisure & tourism | 3% |

Sources: G4S Annual Report 2011

**Table 9: Number of G4S workers by service**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2011 | 2010 | 2007 | 2006 |
| Security services | 589,673 | 563,519 | 466,035 | 403, 079 |
| Cash services | 50,078 | 52,678 | 41, 255 | 36,866 |
| Administration | 153 | 129 | 190 | 183 |
| Total | 639,904 | 616,326 | 507,480 | 440,128 |

Source: G4S Annual Report 2011

**Table 10: Revenues by region**

|  |  |
| --- | --- |
| Region | Revenue |
| UK and Africa | £2,180m |
| Europe | £1,836m |
| Americas | £2,243m |
| Asia Middle East | £1,263 |

**Table 11: G4S Finance (£million)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 |
| Revenues | 7,522 | 7,258 | 7,009 | 5,928 | 4,496.4 million | 4,036.8 million |
| EBITDA | 620 | 624 | 620 | 520 | 309.1 | 271.6 |
| Total liabilitiesTotal debt  | 2,229 | 1,955 | 1,903 |  | 2,552.8 | 2,203.7 million |
| Total staff costs | 5,127 | 4,902 |  |  | 3,257.7 | 3,108.3 |

Strategy and activities

In 2004, G4S was formed through the merger of Group 4 Falck and UK based Securicor, both global security companies. In May 2004, the UK facilities management division of Group 4 Falck, Global Solutions Ltd, was sold to Englefield Capital, in partnership with Cognetas LLP and Electra Partners Europe. Global Solutions Ltd (GSL), was a leading provider of outsourced services to public authorities and operators within the growing PFI and PPP outsourcing market, in the UK and internationally (Englefield Capital, 2008). By 2004, GSL had contracts with the public sector in custodial services, covering prison management, escorting of prisoners, immigration services, custody and training; and other public services in health care, education and local government. The company has continued to expand into the public sector.

In July 2008, G4S bought GSL from Englefield Capital / Europa Electra Partners. G4S now provides *“medical service solutions for the public and private sector*” in the UK and emergency ambulance services and ‘*specialist guarding to secure hospitals*’ in Australia (G4S, 2007). This acquisition supports the G4S 2004-2007 corporate strategy, in which G4S aimed to expand further into the UK, USA, Benelux countries and Scandinavia (G4S, 2004). In the 2008 G4S strategy (for Asia-Pacific), priority sectors were listed as health, local government, ports/airports as well as Benelux becoming a priority country for expansion (G4S, 2008).

By 2011, G4S ‘Secure solutions’ covered outsourced services in sectors such as ports, airports, retail, financial institutions, oil and gas and for government departments such as justice, police, health, foreign affairs and border control. Secure solutions accounted for 83% of G4S’s revenue in 2011.

G4S has expanded its provision of services to the public sector in the UK since 2008. Starting with prison management and prison transport and services for asylum seekers, it has expanded into outsourced services for the NHS. The quality of services provided by G4S has been criticised after incidents such as death of an asylum seeker being removed from the UK and the management of Campsfield House for asylum seekers seeking asylum. The reputation of G4S has been criticised because of incidents of brutality and violence towards asylum seekers, young people in youth justice centres and prisoners.

In the UK, G4S has expanded its involvement with the NHS through investments in primary health centres, medical recruitment and medico-legal reporting. Since 2009, it expanded into non-emergency ambulance services, with several contracts for county wide services. The pay and working conditions are reportedly poor. Non-emergency G4S drivers for St George’s hospitals are paid below the minimum wage. There is bullying, low morale and high turnover of staff. [[50]](#endnote-50)

In 2012, G4S had a spectacular public failure in its contract to provide security for the Olympics in the UK. It was unable to provide the security services, particularly security staff that it had been contracted to provide. The company has since lost several UK government contracts. [[51]](#endnote-51)

In 2011, G4S attempted to takeover the facilities management company ISS but failed due to opposition from G4S shareholders because of concern about managing a projected workforce of over a million workers. The company currently has a BBB long term credit rating.

# Conclusion

Ambulance and firefighting services are still predominantly provided by the public sector in Europe. There are developments that show that processes of commercialisation are beginning to impact on these services. The expansion of Falck as the largest European provider of ambulance and firefighting services into several European countries shows that contracting out to the private sector is expanding. The example of G4S shows that a company that provides outsourced services to the public sector can expand into non-emergency ambulance service provision as part of its work in the healthcare sector. The development of emergency medical services as a specialist service provides an opportunity to outsource these services to for-profit providers alongside other clinical outsourcing. The expansion of Falck is most specifically focused on ambulance and fire-fighting services. Its small investments in medical centres suggests that it is testing the market for wider healthcare service provision.

Appendix A: Historical links between G4S and Falck

There are historical links between G4S and Falck, which are important in understanding the current relationship between these two companies. Both are still significant providers of security services, although Falck has a wider range of health care services. Since the acquisition of GSL, in 2008, G4S has also expanded its health care activities.

**Table 12: Falck and G4S - changes in ownership between 1988-2012**

|  |  |  |
| --- | --- | --- |
| Year | Falck  | Group 4 Group / Securitas/ Securicor |
| 1980s | 1988 Falck family sold Falck to Baltica, a Danish insurance company | 1981 Jørgen Philip-Sørensen took responsibility for the European activities in the Group 4 GroupSecuricor – UK based part of companyHis brother, Sven Philip-Sørensen, carried on the Swedish activities (Securitas AB)  |
|  |  | 1989 Securicor established a custodial services division  |
| 1991 | Baltica sold 55% of its shares in Falck | Group 4 won the contract to run the first UK privatised prison HMP Wolds |
| 1993 | Falck acquired Danish company ISS Securitas to form Falck Securitas  |  |
| 2000 | Group 4 Securitas (International) B.V. and Falck A/S merged to form Group 4 Falck | UK based Securicor continued global expansion as separate company |
| 2001 | Group 4 Falck acquired several security businesses in Europe |
| 2002 | Group 4 Falck A/S bought Wackenhut CorporationGroup 4 Falck sets up a rescue and safety operation in a new division |
| 2003 |  |
| 2004 | After Group 4 Falck merged with UK based Securicor, Falck was then separated from Group 4 and was listed independently on the Copenhagen Stock exchange. | Group 4 Falck merged with UK based Securicor Group 4 Falck's UK Facilities Management Division sold to Englefield Capital/ Europe Electra Partners and renamed Global Solutions Ltd (GSL)Rebranded as G4S |
| 2005 | Falck bought by Nordic Capital and delisted from the Copenhagen Stock Exchange.  | GSL expansion  |
| 2006 | Expansion into Estonia, Finland, Belgium, Slovakia, Brazil, Trinidad/Tobago, and Spain |
| 2007 |
| 2008 | GSL sold to G4S |
| 2009 |  | G4S  |
| 2011 | Expansion into North and South America | G4S continued expansion into government contractsAttempted takeover of ISS failed because lack of support from G4S shareholders |
| 2012 | Falck confirmed change of ownership  | G4 |

Source: G4S Annual Report, Falck Annual Report, <http://www.corporatewatch.org.uk/?lid=337>

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