Market Report
A Snapshot of your Market Sector

Civil Engineering
This pack has been designed to provide information on setting up a business in the Civil Engineering industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in July 2020. If you find the information contained in this document useful, tell us about it! Send us feedback here; we will use your comments to help improve our service.

What do I need to know about the Civil Engineering market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- The civil engineering sector has been relatively buoyant in recent years. New civil engineering construction output rose by 7% in 2018, with partial year data indicating a further 8% increase for 2019, taking output to £24.1 billion. In the latter two years, growth was largely driven by transport infrastructure work, with both road and rail sectors witnessing major investment programmes. (Mintel, Civil Engineering, January 2020).

- Over the five-year period through 2019-20, industry revenue is expected to increase at a compound annual rate of 3.1%, including growth of 1.2% in the current year, to reach £36.7 billion. Notwithstanding a postreferendum slowdown in investment markets, the infrastructure development pipeline has remained robust throughout the period. (IBISWorld, Civil Engineering Project Construction in the UK, March 2020).

- One of the more visible contributions of engineering to UK productivity is the construction of new national infrastructure. In July 2016, the government major projects portfolio had 143 projects worth over £455 billion. Skills found in the engineering footprint are needed for projects in every category in the portfolio” (Engineering UK, Engineering UK 2018 Synopsis and Recommendations) (tinyurl.com/ycjazcm4).

- The national organisation for this industry is Construction Scotland. Other industry bodies include the Civil Engineering Contractors Association (CECA), Scottish Engineering, the Engineering Council and the Institution of Civil Engineers (ICE).
Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on 0300 013 4753 or email info@bgateway.com.

♦ Mintel – Civil Engineering (January 2020). Rail represents largest sector for civil engineering construction activity in 2019 Rail transport represents a key sector of UK civil engineering construction activity, accounting for 32% of total output in 2019. Civil engineering construction activity in the rail sector has more than trebled between 2016 and 2019, increasing from £2,377 million in 2016 to an estimated £7,752 million in 2019. This partly reflects the ramping up of activity in Network Rail’s enhancement portfolio for the last control period CPS, which ran from April 2014 to March 2019.

♦ IBISWorld - Civil Engineering Project Construction in the UK (March 2020). Over the five-year period through 2019-20, the number of industry enterprises is expected to decline at a compound annual rate of 0.4% as high levels of competition and cash flow issues have forced firms that are unable to remain commercially viable out of the industry. According to insolvency specialist Begbies Traynor, the number of UK companies involved in domestic construction development projects in 'significant financial distress' rose by 10.2% in the first quarter of 2019 (13,018) compared with the previous year (11,813) as supply chain and cash flow issues have mounted due to economic uncertainty since the EU referendum.

There are also a number of online resources you may find helpful:

♦ The Construction Index regularly publishes data on construction activity. Their latest publication (UK construction returns to growth) notes that after three months of decline, new business volumes increased, but only marginally, suggesting that clients remain hesitant and lead times are lengthening (tinyurl.com/y4xzd4es).

♦ The Construction Industry Training Board (CITB) published their Construction Skills Network Forecasts 2017-2021. This report gives an overview of the industry, risks and opportunities, sector insight as well as a regional breakdown of construction activity (tinyurl.com/y87822ua).

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How can I find out about my competitors?

Business Gateway’s online guide to *Competitor Analysis* explains how to find your competitors, how to research what they’re doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- General business directories such as [Yell](https://www.yell.com) or [Thomson Local](https://www.thomsonlocal.com) or [Google Maps](https://www.google.co.uk/maps)
- Trade specialists like [EuroPages](https://www.europages.com) (European directory), [The Wholesaler](https://www.wholesaler.com) or [Free Index](https://www.freeindex.co.uk)
- Business to business (B2B) specialists such as [Kompass](https://www.kompass.com)

Likewise, your local Chamber of Commerce may publish a members’ directory; find your local Chamber on the [Scottish Chambers](http://www.scottishchambers.org.uk) website.

Once you’ve identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- Look for articles or adverts in local newspapers, trade press and directories.
- Try to read their marketing material; if the company has an online presence, visit the company’s website as a first port of call. Not only does it give you a better understanding of the company’s activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company’s partners or suppliers
- Search for information on limited UK companies via the [Companies House](https://www.companieshouse.gov.uk) website
- Gain an insight into your competitor’s performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**
What about suppliers?

Choosing and Managing Suppliers can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling 0300 013 4753.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway’s guides on Retaining and Grow Your Customer Base will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can’t find what you’re looking for from these website, please contact us and one of the team will be happy to help:

- Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.
How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

**Accountancy**
Institute of Chartered Accountants of Scotland’s (ICAS) “Find a Chartered Accountant” tool

**Pricing**
Business Companion [Pricing & payment guide]

**Funding**
Practical information on finance and funding for starting and growing your business

**Insurance**
Business insurance guide

**Legal Help**
Gov.uk “Licence Finder” tool
Law Society of Scotland’s “Find a Solicitor” tool

**Promotion**
BG guides to Marketing

**Training**
Skills Development Scotland’s My World of Work
Funding for training
Small Business Bonus Scheme (Scotland)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on 0300 013 4753 to find out what is available in your area.

We hope you find this Market Report useful and we’d love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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