Market Report
A Snapshot of your Market Sector

Cleaning Services
This pack has been designed to provide information on setting up a business in the Cleaning Services 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 April 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 Cleaning Services 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 Industrial Cleaning Activities industry is one of the few that will likely benefit from the fallout from the coronavirus outbreak. Entities operating in environments prone to contamination (e.g. hospitals, schools, public venues, commercial premises) have been advised by government to hire professional sanitation and decontamination service firms. Demand for industrial cleaning activities, specifically decontamination, will likely spike both during and after the pandemic. In 2019-20, revenue is forecast to rise by 1.1% to £918.4 million, as stronger demand for health-care services propels demand. The industry is forecast to grow at a compound annual rate of 2.4% over the five years through 2024-25 to reach £1 billion. (IBISWorld, Industrial Cleaning activities in the UK, January 2020).

♦ Specialised cleaning is expected to account for 53.6% of industry revenue in 2019-20. This work can be one-off or can be performed as part of a wider offering that includes other general cleaning services or facilities-management services. Window-cleaning services are expected to account for 22.9% of industry revenue with industrial machinery cleaning making up 14.4%. Manufacturing is the industry’s largest client base, accounting for an estimated 32.5% of industry revenue in 2019-20. (IBISWorld, Industrial Cleaning Activities in the UK, January 2020).

♦ Over the five years through 2024-25, industry revenue is anticipated to increase at a compound annual rate of 1.7% to reach £6.6 billion. Demand for cleaning services is expected to rise, due to growth in the number of completed residential and commercial buildings which need to be cleaned. The number of businesses operating in the United Kingdom is also expected to rise, which should positively affect revenue. (IBISWorld, General Building Cleaning in the UK, September 2019).

♦ The cleaning, waste management, landscaping and facility management sectors combined have contributed £49.9bn to the economy in 2016, while the number of employees totalled 914,000. The BCC 2019 report revealed that between 2010 and 2018 there was a 38% increase in the number of companies involved in cleaning, waste, facility management and landscaping services, rising from 45,970 to 63,490. (British Cleaning Council, The Cleaning and Support Services Industry research Report 2019) (tinyurl.com/wnkesoh).

♦ The national organisation for this industry is British Cleaning Council. Other industry bodies include the British Cleaners Association, the Cleaning and Support Services Association, the Cleaning and Hygiene Suppliers Association and ISSA - The Worldwide Cleaning Association.
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.

♦ IBISWorld – *General Building Cleaning in the UK* (September 2019). Demand for cleaning services from commercial clients is expected to rise somewhat over the next five years as more commercial buildings are completed. Demand from households is also expected to rise over the next five years, as household finances are forecast to improve, and unemployment should remain low. The number of enterprises operating in the industry is expected to rise at a compound annual rate of 2.7% over the five years through 2024-25 as low start-up costs encourage new operators to enter the industry.

♦ IBISWorld - *Dry-Cleaning & Other Cleaning Services in the UK* (February 2020). The Dry-Cleaning and Other Cleaning Services industry covers a range of different businesses including dry-cleaners, laundries, self-service launderettes, carpet cleaners and workwear and uniform rental providers. The industry has witnessed increased innovation over the period with industry operators responding to consumers' increasingly busy lifestyles by offering door-to-door collection and delivery services. Over the five years through 2019-20, industry revenue is forecast to decline at a compound annual rate of 0.9%, to reach £1.5 billion. Industry revenue is expected to contract by 1.5% in the current year.

Other reports available include:

♦ IBISWorld - *Combined Facilities Support Activities in the UK* (January 2020)
♦ Mintel – *Serviced Offices – UK* (October 2019)
♦ Mintel – *Facilities Management – UK* (October 2019)

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

♦ Health and Safety Executive, *Cleaning industry health and safety* ([tinyurl.com/5dsfkf](tinyurl.com/5dsfkf)). Here you can find a range of relevant health and safety topics for the cleaning industry, along with case studies, resources, risk assessments and an online forum.

♦ Equality and Human Rights Commission, *Cleaners’ Rights*, February 2019 ([tinyurl.com/yxly3mrn](tinyurl.com/yxly3mrn)). This site provides pocket guides on knowing your rights and working in the UK, along with information on a UK cleaning taskforce detailing their commitment, members and supporters and a review of their activities.

♦ Tidy Choice, *Cleaning up London, August 2019* ([tinyurl.com/vktu3cy](tinyurl.com/vktu3cy)). This article looks at 2019 trends for cleaning and summarises industry data from the year.

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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, Thomson Local or Google Maps
- Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members’ directory; find your local Chamber on the [Scottish Chambers](https://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.gov.uk/government/organisations/companies-house) 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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**Updated by:** Eleanor