



Market Report

A Snapshot of your Market Sector

Cleaning Services

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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 August 2023. 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:

- ◆ Building cleaners' revenue is projected to **fall at a compound annual rate of 0.5% over the five years through 2022-23 to £6.9 billion**, inclusive of an anticipated 1.7% growth in the current year, when the average profit margin is projected to be 8%. Uncertain economic conditions have weighed on demand from commercial clients (IBISWorld, *General Building Cleaning in the UK*, March 2023).
- ◆ Over the five years through 2027-28, industrial cleaners' revenue is forecast to **grow at a compound annual rate of 4.3% to £1.4 billion**; the average profit margin is expected to reach 15.8%. Demand from the healthcare sector will grow as the UK's population ages – lifting income opportunities from hospitals (IBISWorld, *Industrial Cleaning Activities in the UK*, February 2023).
- ◆ Industry revenue is expected to **expand at a compound annual rate of 0.3% over the five years through 2022-23 to reach £17.7 billion**. Growth has been aided by industry operators working more closely with clients and finding new means to generate revenue. The industry provides a wide range of services to organisations in the public and private sectors and performance is affected by changes in the wider economy. However, some services offered by the industry are essential and clients require them regardless of the state of the economy, which limits revenue volatility (IBISWorld, *Combined Facilities Support Activities in the UK*, June 2022).
- ◆ The UK contract cleaning market continues to be supported by high levels of spending in the public sector, despite challenging headwinds in the commercial cleaning market in 2022, according to MTW Research. MTW's analysis of more than 90 leading contract cleaning providers with more than **£3 billion of sales** found that whilst the industry remains in relatively good health, there are some challenges in the market with some companies able to outperform the market whilst others face more difficult headwinds in relation to rising labour, material and energy costs (Facilities Management Journal (FMJ), *Challenges and opportunities facing the contract cleaning market*, November 2022) (<https://tinyurl.com/49jx6zp7>).
- ◆ The national organisation for this industry is the [British Cleaning Council](#). Other industry bodies include the [British Cleaners Association](#), the [Cleaning and Support Services Association](#), and the [Cleaning and Hygiene Suppliers Association](#).



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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 - Industrial Cleaning Activities in the UK (February 2023)**. Specialised cleaning services have been supported by outsourcing from the healthcare sector. Specialised cleaning includes cleaning services for industrial kitchens, food factories, hospitals and health-related buildings and transportation. Demand for specialised cleaning services rose in 2020-21 as demand from the healthcare sector spiked due to an increase in the frequency and intensity of cleaning to combat COVID-19. The volume of cleaning services outsourced by hospitals significantly affects industry demand, as these represent an important market for operators. Public-sector spending cuts resulted in more hospitals outsourcing cleaning services to reduce costs and improve efficiencies. This boosted demand and contributed to industry revenue.
- ◆ **IBISWorld - Window Cleaning Services in the UK (May 2023)**. As more residential and commercial buildings are constructed, the industry's potential client base expands. As a result, the industry is reliant on the UK construction sector finishing construction projects and a healthy real estate market. Industry revenue is reliant on demand from financially stable markets, as window cleaning services can be considered to be discretionary. Clients may suspend contracts with industry operators during periods of economic uncertainty and falling confidence. In addition, the number of businesses operating in the United Kingdom directly affects demand for industry services, as business are more inclined than those in the residential market to keep up appearances by keeping their business facades clean.
- ◆ **IBISWorld – General Building Cleaning (March 2023)**. Recovering demand from commercial clients will support revenue growth. Demand from commercial clients will increase in line with recovering economic conditions as businesses will spend more on value added cleaning services. Ongoing increases in the number of businesses operating in the UK will also support revenue growth. Commercial construction activity is set to recover in line with recovering economic conditions. The completion of existing projects will compound this revenue growth.

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

- ◆ **My World of Work** has a number of job profiles including one for **Cleaners**. This gives a career outlook, focusing on working conditions, UK salary ranges, employment status, and more (tinyurl.com/mvavbcrp).
- ◆ **Health and Safety Executive (HSE)** – this site provides occupational health and safety advice for people working in the cleaning industry, as well as information to employers on how to comply with health and safety law (tinyurl.com/yc2trbn9).

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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](#) 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](#) 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 or by calling **0300 013 4753**



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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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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

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

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

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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