



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 **October 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**. 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*).
- ◆ Revenue is expected to **fall by 3.3% during the current year**, due to the COVID-19 (coronavirus) pandemic and measures imposed to combat it. Businesses have adopted work from home policies and households face falling disposable incomes amid an uncertain economic outlook, which is anticipated to restrict industry demand in 2020-21. **Over the five years through 2025-26, revenue is forecast to fall at a compound annual rate of 0.1% to £5.5 billion**. Demand for cleaning services is expected to fall at a slower rate due to growth in the number of residential and commercial buildings that need to be cleaned. Houses are expected to account for 6.4% of industry revenue in 2020-21. (IBISWorld, *General Building Cleaning in the UK, July 2020*).
- ◆ 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 (July 2020. COVID-19 (Coronavirus) Impact Update:** Demand from commercial offices is likely to be subdued in the current year, as businesses have largely adopted work-from-home policies through the lockdown period. Demand from households is also expected to be subdued, as disposable incomes have declined and customers have tried to limit unnecessary contact with others to reduce the risk of contamination. Upon returning to work, offices are expected to require more cleaning services to meet government safety guidelines. However, it is unclear when it will be deemed completely safe to make the transition back into shared offices.
- ◆ **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 laundrettes, 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.

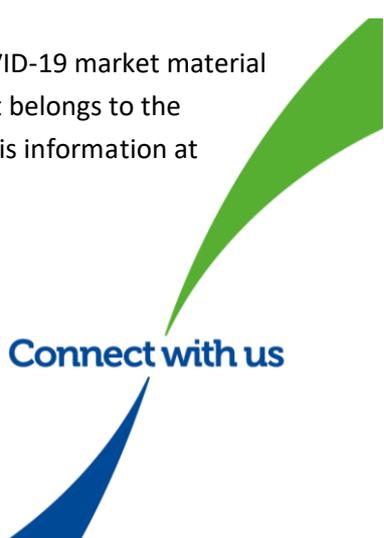
Other reports available include:

- ◆ 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). 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). 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). 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](#) 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 websites, 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.

Last updated: October 2020

Updated by: Carla Bennett

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