



Market Report

A Snapshot of your Market Sector

Security

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 **Security** 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 **February 2022**. 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 Security 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:

- ◆ MBD estimates the value of the manned security market to **increase by 11% in 2021, reaching £4.1 billion**. Between 2021 and 2026, MDB estimates that manned security market's value to **rise by 19% to reached £4.9 billion**. Security Guarding licence **applications rose substantially in 2021. Up by 41% to 30,233** (2020: 21,392). Non-Front Line and Key Holding Applications also rose in 2021, up 22% and 13% respectively, compared to 2020 (Mintel, *Manned Security - UK*, November 2021).
- ◆ **Growth for the entire market reached 14% in 2020**, far outperforming the development of the wider economy. As the economic recovery develops, growth can be expected to remain strong, boosted by a continued migration towards digital activity both ant work and home. The market is **estimated to be worth £8.3 billion in 2022**. On July 8th 2020 the City of London Police reported that since January, **more than £11 million has been lost** due to COVID-19 scams (Mintel, *Computer Security - UK*, February 2021).
- ◆ Over the five years through 2021-22, industry revenue is expected to rise at a compound annual rate of **1.9% to reach just under £1.5 billion**. Revenue is expected to grow at a compound annual rate of 2.7% over the five years **through 2026-2027 to reach £1.7 billion**. Concerns regarding national security and a **UK-wide spike in crime rates** have supported demand for security alarm systems over the last five years (IBISWorld, *Security System Services in the UK*, January 2022).
- ◆ MBD anticipated a **26% rise in the value of the sector over the 2021-2025** forecast period, raising the market's **value to £1.4 billion in 2025**, with improved interoperability, interconnectivity and enhanced functionality driving demand. The sector remains dominated by small companies with 90% of outlets registering nine or fewer employees in 2020, reflecting the sector's technology focus which has made it fertile ground for small start-up businesses developing bespoke technological solutions (Mintel, *Security Equipment, Access Control and CCTV - UK*, February 2021).
- ◆ The national organisation for this industry is the [British Security Industry Association](#) and [the National Security Inspectorate](#). Other industry bodies include the [Security Industry Authority](#), [The National Cyber Security Centre](#) and [the Information Systems Security Association UK](#).



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Where can I find more information on my market?

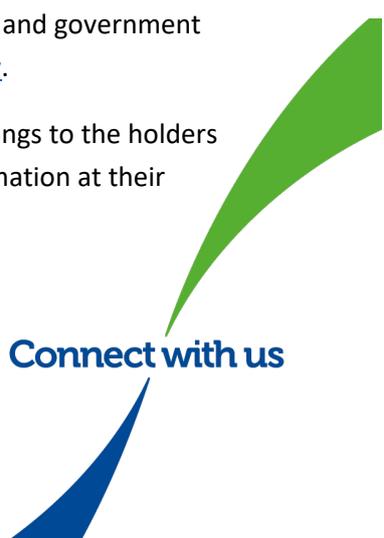
The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel – Manned Security - UK (November 2021):** The response to COVID-19 has seen a structural change in manned guarding activities in favour of remote monitoring, often supplemented by mobile guarding to take advantage of synergies between the two practices. The manned guarding segment is estimated to rise by 16% in 2021, the cash-in-transit segment is estimated to rise by 5% and the custodial services segment is estimated to grow by 6%.
- ◆ **Mintel – Computer Security - UK (February 2021):** The vast majority of companies involved in the sector are very small, with 82% of companies gaining a turnover of less than £250,000. Many of the small companies are among the most dynamic software development firms, and it is a feature of the computer software industry that these companies are often subsequently acquired by larger operations.
- ◆ **Mintel – Security Equipment, Access Control and CCTV - UK (February 2021):** As new technologies such as AI, 5G and machine-learning are incorporated into security systems and expanding the range of their functions, there is a consequent need for interoperability between security systems. The number of businesses and outlets involved in 'security system service' activities both grew by 8% in 2020.
- ◆ **IBISWorld - Security System Services in the UK (January 2022):** In 2021-22, security system service providers are estimated to derive 45.3% of industry revenue from installing security systems and providing monitoring services to public authorities. The commercial and industrial sector is estimated to account for 40.1% of industry revenue in 2021-22 which covers the provision of security systems in offices, retail stores, warehouses, construction sites, sport stadiums and schools. The residential market is estimated to account for 14.6% of industry revenue in 2021-22.

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

- ◆ **Scottish Government – Cyber Resilient Scotland: Strategic Framework (February 2021):** this framework builds on Scotland's first cyber resilience strategy, expanding on its achievements and addressing both ongoing and new challenges – tinyurl.com/yckkvm94.
- ◆ **ScotlandIS – Scottish Cyber Cluster Analysis Report (December 2020):** this report looks at the Scottish cyber security sector as a whole and the encompassing elements of the sector such as skills, innovation, areas of expertise, academia and more - tinyurl.com/2pmp485k
- ◆ **Professional Security Magazine Online** posts frequent articles on a variety of topics related to the UK security industry. On their news page you can find links to case studies, commercial and government related stories, press releases, training, and market reports - tinyurl.com/y363mu9v.

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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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Updated by: Fiona Elliot

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