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## Engineering Consultants Market Report – Focus on Sector Capability & Strategy - UK 2011 – 2015 Analysis

New AMA report provides a major review of the engineering consultants market in the UK

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A brief summary of the report is included on the following page.

Priced at £665, the report is currently available from AMA Research Ltd, Telephone 01242 235724 or e-mail at [sales@amaresearch.co.uk](mailto:sales@amaresearch.co.uk).

### **Editors Note:**

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

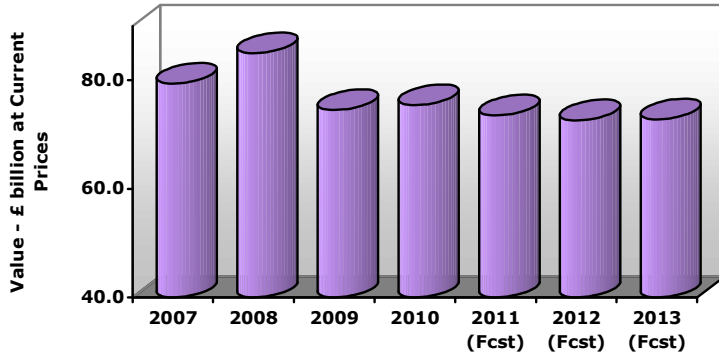
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Chris Moore or Keith Taylor on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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Non-Domestic Construction Output (UK) 2007 - 2013 by Value (£bn at Current Prices)



The **consulting industry** has been undergoing a period of **considerable change** in response to the current economic downturn and has identified the need diversify as a result. Since the first indications of the credit crunch in 2007, firms have had to reshape their businesses to cope as the UK moved from growth into recession.

Not every sector has been affected in the same way. Consultants with a significant proportion of workload tied into framework agreements will be partially insulated from the downturn in the construction industry, at least until these frameworks are due for renewal.

The cumulative **impact of public sector cuts on the UK consulting and engineering sector** is expected to be considerable. Larger consultants' reliance on big government-sponsored projects has now made them more vulnerable as public spending cuts begin to take effect. However, relying on the private sector in the short-term to balance the drop off in public sector work will also be unrealistic for many consultants. Having taken measures in the past two years to adjust their cost and workforce structures, consultants are now focusing their attention on their target markets. The fact that energy and nuclear projects are likely to go ahead with private funding is good for those firms with expertise in these sectors and will help to balance the inevitable fall off in health and education sector output.

A number of consultants involved in public sectors are now **looking to diversify** and focus on strategies to balance the types of public sector work currently undertaken. **EC Harris**, for example, has stated its intention to position itself as a strategic 'built asset consultancy' rather than simply a QS and project manager – traditional areas, which have been under pressure. As such, the firm is looking to enter higher value areas of consultancy.

With the UK government planning to spend less, consultants are also increasingly looking at **overseas markets** and diversifying away from their reliance on UK construction, in favour of international operations. Many large consultants are attempting to retain their position in the global marketplace by achieving operations on a global scale and tapping into high growth markets such as Asia. A global outlook is thought to be essential for the future of the consulting profession over the short term as consultancies purely dependent on UK work continue to struggle.

Two years ago, consultancies faced weakening demand from their private sector clients, while public sector demand remained buoyant. Now the balance has shifted. A partial private sector recovery is under way, but the public sector spending squeeze is already affecting the sector. For consultancies dependent on government and council clients, the impact of the cuts are of considerable concern. However, there still remain growth possibilities for consultants with the rebalancing of the public and private sectors giving rise to the outsourcing of many services in the public sector to the private sector.

There are also growth prospects for consultants in **environmental and energy sectors**, driven by developments in low carbon and growth in energy from waste, anaerobic digestion, biogas and renewable sources of energy. Market growth is expected to be driven by the evolving climate change agenda, the shift to a low carbon economy and the development of associated legislation. The coalition government has set out a programme for energy and environmental issues and there is also a continued aim to do more on waste and sustainability, with pressure for ongoing investment in **waste and recycling infrastructure**. As a result, many councils look towards more private sector involvement in expanding and improving their waste services.

Consultancy work in **infrastructure planning** is also expected to stay relatively buoyant driven by continued infrastructure development and work related to the 2012 Olympics, urban transport projects and the development of high-speed rail.

AMA Research's report "**Engineering Consultants Market Report – Focus on Sector Capability & Strategy - UK 2011-2015 Analysis**" is available in hard copy or electronic format for £665 and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.