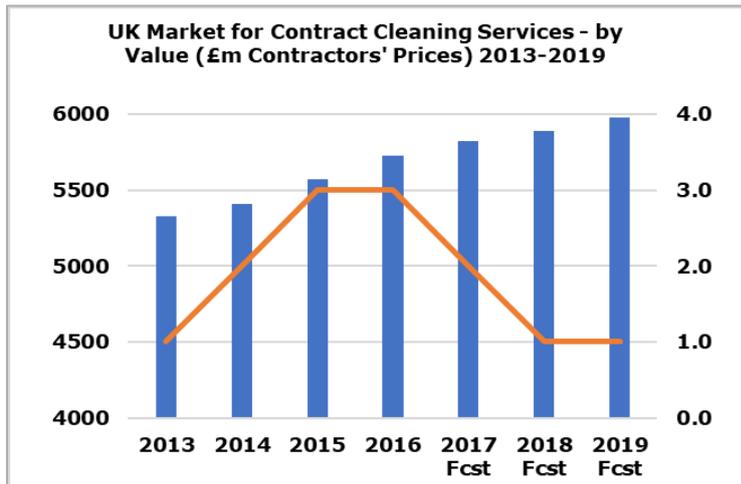




# PRESS RELEASE

## Technology and sustainability key drivers of the UK Contract Cleaning market

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Following three years of marginal growth, the UK contract cleaning market accelerated between 2014 and 2016 in line with the economy. Uncertainty caused by factors such as Brexit mean that this market growth is unlikely to be sustained over the next few years. Looking forward, demand is likely to be relatively buoyant in the transport sector, while the retail, commercial offices and the government sectors are likely to provide fewer opportunities, at least in the short term.

Contract cleaning is a mature market covering both single and multi-service contracts, in the commercial, manufacturing, healthcare, retail, transport, local authority and central government sectors. There has been an underlying trend towards greater levels of outsourcing over the last decade which has driven demand for the contracting out of cleaning services. Cleaning and hygiene services often form part of a total facilities management contract, typically comprising around 12-15% of the contract value.

Despite over 40,000 businesses operating in the cleaning industry, the market for contractors is dominated by a relatively small number of large IFS/IFM and multi service providers and large and medium sized specialist cleaning contractors. There is also a significant franchise sector in the market, as cleaning remains one of the most popular franchise opportunities, offering a relatively low-cost investment, in a robust market with relatively few barriers to entry.

Fiona Watts of AMA Research said: *“Cleaning is one of the most competitive of all contracted-out sectors, and profit margins are under significant pressure due to rising labour costs and increasing raw material and equipment costs. In addition, there is pressure on the cleaning industry to improve standards, particularly in the healthcare sector, while also increasing efficiency.”*

The drive towards more sustainable cleaning practices has become an important issue within the industry, with clients demanding more sustainable practices from contract cleaning companies.

The market is also embracing the use of technology, which is driving advances in performance and efficiency. For example, the first fully automated robotic floor cleaning machines have been launched in the UK and robots using UV lights to kill the DNA of bugs have been trialled in the NHS to help fight HCAI's. Other technological developments include increased connectivity, which allows contractors to digitise cleaning procedures using sensors, gather and analyse real-time data to help them work smarter, create efficiencies and raise standards. Technology is expected to become ever more present within the industry over the coming years.

Looking forward, moderate growth is expected to continue within the contract cleaning market with a mix of negative and positive factors impacting the market. The demand for bundled service and Total Facilities Management contracts will continue to be a strong driving force as public and private sectors look to maximise value from contracts. However, there is concern that the Brexit decision may have an impact on the labour market and, with labour costs accounting for an estimated 80% of any invoice within the contract cleaning market, changes such as an increase to the National Minimum Wage have a significant impact on the health of the sector.

The transport sector is forecast to show good growth, driven by the expanding UK aviation and rail infrastructure and growing passenger numbers, something which should have a positive impact on the contract cleaning industry. Demand in many sectors are expected to decline in the coming years, such as the retail sector and the commercial office sector where reduced development activity will limit new contract cleaning opportunities in the short term.

The '**Contract Cleaning Market Report – UK 2017-2021 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience in the construction and home improvement markets. The report is available now and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.

### **Editors Note:**

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson or Fiona Watts on 01242 235724.

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

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