

## Facilities Management - UK - October 2018

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“The facilities management sector is strongly established in the UK, and growth should continue independent of economic fluctuations. However, the demise of Carillion and the difficulties of other companies are concentrating attention on selective bidding and advancing added value through technology.”

– Terry Leggett, Senior Analyst

This report looks at the following areas:

- The impact of Brexit
- Technology the way forward

Outsourced services enjoy considerable protection from economic fluctuations. They tend to benefit both from an increased customer cost-cutting focus during economic slowdowns, and from contract expansion in economic upturns. Consequently, the uncertainties created by Brexit for many industrial and commercial sectors are not as significant in the market. However, the soft service sector of the industry tends to be a heavy user of labour, which is adding pressure to industry margins through increased costs associated with the National Living Wage, the introduction of the Apprenticeship Levy, and the costs associated with workplace pensions. These pressures are adding to a highly competitive market, which saw a major casualty in 2018 in Carillion, and profit warnings from another major provider, Capita. Market leaders are increasingly investing in technology; not only to reduce reliance on manpower, but to offer added value to clients by providing richer information on which property and facilities management decisions can be made.

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### DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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The Facilities Management Association

Trade magazines

Building and Facilities Management

Building Services and Environmental Engineer

Facilities Management Journal

FM World

Practical Facilities Management

Premises & Facilities Management

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