

Facilities Management - UK - October 2019

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“Several recent high profile casualties in the facilities management sector reflect the scale of some contracts and the need to selectively tender in a highly competitive sector where capital investment can be significant.”

– Terry Leggett, Senior Analyst

This report looks at the following areas:

- **The National Living Wage price war**
- **Technology as a differentiator**

Facilities management covers a very broad range of contracted-out services. There is no single comprehensive definition, though it typically covers both hard and soft services. Effectively the definition could include any sub-contracted service, but there also tends to be a client base definition. Public sector contracts form an important element of the market for some companies, and there are major providers who specialise in this client base. Private enterprises also form an important client base, though typically services offered to SMEs are not considered facilities management even though the services could be the same as those offered to large companies. The provision of serviced offices therefore tends to be excluded from the definition (though these too sometimes draw a client base from large enterprises). Typical services include M&E repair and maintenance, landscaping, office services, cleaning, catering and building fabric maintenance. There is also a major sector including the various forms of PFI, where long-term revenues continue from past contracts, despite the current government not pursuing such contracts. The situation could, however, change after the general election if the Labour Party gains power.

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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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