



Top 30 UK M&E Contractors

May 2022



Contents

Top 30 UK M&E Contractors

If you have any feedback on the following items, please contact:

Gokhan Hassan MSc MRICS

Managing Director

GHCS and GH Engage

Gokhan.Hassan@ghcs.co.uk



01 Introduction

04 Top 30 UK M&E Contractors Table

05 Brief Industry Commentary

10 Accompanying Notes



This is the 3rd annual GHCS Top 30 UK M&E Contractors report and there has been a significant change in the report this year – I have added a personal headshot on to the contents page.

On a serious note, I am pleased to say that this year we have yet again collaborated with the Building Engineering Services Association (BESA). **David Frise** commented that “*BESA are delighted to be working with GHCS again on the contractors’ report. We are in very uncertain times, with materials and skilled labour in short supply , the full impact of the war in the Ukraine is still to be felt but this report shows us where we are and where we can expect to be in the next few years.*”

It has been another challenging year for construction, but a tinge of ‘normality’ has trickled-in resulting in certainty (whether good or bad) for most M&E contractors. It has been predicably unpredictable these past 12 months and there have unfortunately been a few casualties in the M&E market including MechFS and Kershaw Mechanical Services, who had been trading since 1954. However, the general consensus is that the worst is behind us and the days of simply reacting to many unusual issues has been gradually replaced by forward-planning, which means that we can again focus on long-term challenges that face the industry.

This is the Top 30 back in 2007, which interestingly shows a number of contractors who are no longer trading.

RANKING			CONTRACTOR	TURNOVER £000		
2021	2020	2007		2021	2020	2007
1	1	1	NG Bailey	507,000	573,400	466,721
-	-	2	Dalkia	-	-	428,311
-	-	3	Emcor Group	-	-	378,699
8	6	4	Skanska Rashleigh Weatherfoil	179,980	230,260	325,468
-	-	5	Balfour Kilpatrick	-	-	316,100
4	4	6	Southern Electric Contracting	303,500	306,000	306,151
-	-	7	Haden Young	-	-	288,999
-	-	8	Mitie Engineering Services	-	-	281,600
6	3	9	Crown House	217,900	315,100	211,873
-	-	10	Withdrew from Table	-	-	206,079
3	5	11	T Clarke	327,100	231,900	193,845
-	-	12	Interserve Specialist Services	-	-	190,200
2	2	13	Imtech Technical Services	355,476	425,046	179,051
-	-	14	GSH	-	-	157,401
-	-	15	Integral UK	-	-	147,531
-	-	16	Staveley Engineering Services	-	-	146,522
-	-	17	Inviron	-	-	119,750
5	7	18	Briggs & Forrester	234,150	223,160	114,333
-	-	19	Forth Holdings	-	-	104,006
11	9	20	Gratte Brothers	152,120	181,090	102,664
13	13	21	Michael J Lonsdale	132,920	139,564	99,985
9	12	22	Shepherd Engineering Services	159,400	145,750	88,849
12	10	23	Dodd Group	142,080	160,360	75,881
-	-	24	EIC	-	-	72,828
-	-	25	Thermal Transfer	-	-	67,015
-	-	26	Mears	-	-	61,181
-	-	27	Environmental Property Services	-	-	59,624
-	-	28	Norstead M&E Engineering	-	-	51,394
-	-	29	Nomenca	-	-	45,312
18	26	30	Derry Building Services	77,000	60,320	40,849

Sector Total 5,328,222

2021	RANKING		CONTRACTOR	TURNOVER £000		
	2020	2007		2021	2020	2007
1	1	1	NG Bailey	507,000	573,400	688,880
-	-	2	Dalkia	-	-	632,187
-	-	3	Emcor Group	-	-	558,960
6	6	4	Skanska Rashleigh Weatherfoil	179,980	230,260	480,391
-	-	5	Balfour Kilpatrick	-	-	466,564
4	4	6	Southern Electric Contracting	303,500	306,000	451,879
-	-	7	Haden Young	-	-	426,563
-	-	8	Mitie Engineering Services	-	-	415,642
3	3	9	Crown House	217,900	315,100	312,725
-	-	10	Withdrew from Table	-	-	304,173
5	5	11	T Clarke	327,100	231,900	286,115
-	-	12	Interserve Specialist Services	-	-	280,735
2	2	13	Imtech Technical Services	355,476	425,046	264,279
-	-	14	GSH	-	-	232,324
-	-	15	Integral UK	-	-	217,756
-	-	16	Staveley Engineering Services	-	-	216,266
-	-	17	Inviron	-	-	176,751
7	7	18	Briggs & Forrester	234,150	223,160	168,756
-	-	19	Forth Holdings	-	-	153,513
9	9	20	Gratte Brothers	152,120	181,090	151,532
13	13	21	Michael J Lonsdale	132,920	139,564	147,578
12	12	22	Shepherd Engineering Services	159,400	145,750	131,141
10	10	23	Dodd Group	142,080	160,360	112,000
-	-	24	EIC	-	-	107,494
-	-	25	Thermal Transfer	-	-	98,914
-	-	26	Mears	-	-	90,303
-	-	27	Environmental Property Services	-	-	88,005
-	-	28	Norstead M&E Engineering	-	-	75,858
-	-	29	Nomenca	-	-	66,881
26	26	30	Derry Building Services	77,000	60,320	60,293

Sector Total **7,864,456**

This table represents the Top 30 back in 2007, but it has been adjusted to reflect inflation at an average of 2.8% over the past 15 years. This gives us current day figures to make the table more relative.

This is my 2021 Top 30 UK M&E

Contractors table by turnover.

RANKING				TURNOVER £000		
2021	2020	2007	CONTRACTOR	2021	2020	2007
1	1	1	NG Bailey	507,000	573,400	466,721
2	2	13	Imtech	355,476	425,046	179,051
3	5	11	T Clarke	327,100	231,900	193,845
4	4	6	Enerveo	303,500	306,000	306,151
5	7	18	Briggs & Forrester	234,150	223,160	114,333
6	3	9	Crown House	217,900	315,100	211,873
7	14	NEW	Vital Energi	196,300	136,900	-
8	8	NEW	SPIE	192,530	191,160	-
9	6	4	Skanska Rashleigh Weatherfoil	179,980	230,260	325,468
10	12	22	SES	159,400	145,750	88,849
11	11	NEW	Phoenix	153,979	209,064	-
12	9	20	Gratte Brothers	152,120	181,090	102,664
13	10	23	Dodd Group	142,080	160,360	75,881
14	13	21	Michael J Lonsdale	132,920	139,564	99,985
15	NEW	NEW	Ark Mechanical & Electrical Services	104,700	74,000	-
16	16	NEW	Dorman Engineering	98,590	90,810	-
17	18	NEW	Essex Services Group	86,000	85,100	-
18	26	30	Derry Building Services	77,000	60,320	40,849
19	17	NEW	Borough Engineering	72,300	85,640	-
20	28	NEW	CMB Engineering	71,343	56,840	-
21	21	NEW	King & Moffatt UK	65,288	63,504	-
22	29	NEW	LJJ	64,840	53,920	-
23	27	NEW	Cilantro	64,000	57,940	-
24	24	NEW	HE Simm	61,880	62,320	-
25	NEW	NEW	JCA Engineering	61,526	52,051	-
26	25	NEW	Dowds Group	60,530	61,200	-
27	NEW	NEW	Haydon ME	58,820	56,390	-
28	15	NEW	Designer Group	56,696	104,390	-
29	30	NEW	Swiftline Engineering	52,100	51,257	-
30	NEW	NEW	J S Wright	51,860	36,940	-

Sector Total 4,361,908 4,521,376

2021 Challenges



The Top 30 M&E contractors survey shows an unsurprising average annual drop in turnover of 3.7%. The previous year showed a drop of 9.1% and the Top 30 total as a whole has dropped from £4.532bn to £4.361bn. This further drop in turnover can be attributed to COVID-19 and I fully expect turnover figures to enter a small period of increase with a substantial increase due in 2024. In relative terms, the current high inflation is going to have an impact on turnover as tender values will rise. **Paul Connolly, Head of M&E Services & Technical Director at Mace Group** expects 2024 to be *“the start of a buoyant market in London in particular for M&E contractors as we are currently see early stage works commencing on a number of major schemes and the M&E works will follow over the next 12-24 months.”* **Paul** also points out that *“clients are now seeking early advice by RIBA Stage 2, which gives engineering contractor ample opportunity to influence designs as well as some visibility of long-term workload.”*

In addition to the remaining COVID-19 restrictions and impact last year, the start-up of the economy has been disrupted by supply chain and material shortages and the fundamental problems are arising simply because to re-start a large, diverse international economy is going to be bumpy.

2021 Challenges (cont....)



Confidence within construction and the wider economy has been returning over the past 12 months. The slow return to work has also highlighted another, more taxing effect of Covid-times, which is mental health within the industry. Prior to 2020 staff were typically working and commuting 60 hours a week with minimal downtime with family & friends aside from the weekends. For the past two years these hours have substantially decreased, but had to be combined with childcare and typical family balancing acts. The implication of Covid combined with job insecurity and financial troubles has added an exorbitant amount of stress to the workforce. We are now, as an industry, bringing staff back full-time, but in some situations there is still a work-life balance to be considered and with inflation running at 7% money-worries are not going away any time soon.

Terry Hussey, Board Director at Phoenix ME, believes that *“the mental scars remain from Covid and although the right thing to do is get back to what we do best, we should all be very aware and considerate of the psychological toll the past 2 years have taken on people”.*

Looking ahead



Last year I reflected on hesitancy with securing orders and although this still exists, it has markedly improved, albeit this could perhaps be due to more aggressive tendering persuading clients to commit. This upturn in secured work has now led to a return to a buoyant recruitment market and has highlighted the skills shortage both with trades, but also with project staff.

The good news is that there is a healthy pipeline of projects within both the private and public sector. However, material cost rises are a significant issue for both current contracts, whereby the risk of the increase lies with the contractor, and also for future tenders – despite contractors having the ability pass this cost on whilst bidding for a project ultimately it pushes the capital cost of developing a scheme higher and therefore dilutes the feasibility of a project. This could lead to a number of jobs pausing until the market ‘cools’, whenever that may be. **Paul Connolly** rightly points out that price increases aren’t the only issue, but that availability of major plant and equipment is a serious problem that could severely impede the progress of projects on site; *“Air Source Heat Pumps, Sprinkler Pumps and Transformers are just some of the major components that we have an issue sourcing and ASHP’s in particular are in major demand due to the eradication of demand for Gas Fired Boilers.”* The war in Ukraine is only going to exasperate the situation.

Looking ahead (cont....)



The theme recently has been to encourage clients to engage contractors earlier on within the pre-construction phase and **Terry Hussey** points out that *“we have a number of opportunities where we have been involved from Stage 2 as opposed to Stage 4 and this has enabled us to manage client expectations on costs and buildability, but also to help with securing major plant in the future – this is key as we are seeing some equipment on 6 month lead times as the manufacturers are struggling to make up for Covid lockdowns.”*

Terry Hussey also *“believes the M&E supply chain would like to see more 2 stage tenders, to ensure the client receives the right contractor, the right price and the right quality.”* This does, however, need to be balanced with the period of time for PCSA's as *“long PCSA agreements can add additional costs and time to a project with the ever-growing material costs and longer than expected lead times with manufacturers struggling to hit delivery deadlines.”*

What does the future look like?



For the last two years I envisaged that data centres, infrastructure and mid-market/PRS/affordable housing residential units would lead the way in the medium term. This view hasn't changed, albeit the commercial sector is recovering, we have further high-tech schemes coming live and the industrial sector is particularly buoyant, so there are plenty of opportunities moving forward.

The future in terms of the wider engineering agenda is undoubtedly the skills shortage and sustainability. **Paul Connolly** states that *"Skills is still a shortage, and the drive to C2P, digital and carbon reduction should help that in the long term, but short term there is still a drive to get more skilled labour onto projects."*

Construction is a critical industry in the UK and will continue to flourish, but it does come with risks, which need to be managed. As an industry the risk vs profit ratio is far too low compared to the majority of other industries and I do believe that this needs to change over time. A more prosperous industry will lead to an improved image for the sector which in turn will aid the attraction of school leavers to support the digitisation and development of building projects moving forward. Investment in talent and technology is impossible without cash...

Accompanying Notes

This list is indicative, it is not exhaustive or definitive and is the opinion of Gokhan Hassan, who compiled the data.

The data has been compiled from a mixture of accounts provided directly by contractors and financial information available publicly.

The contractors identified are those whose core services are within the M&E construction installation sector, some of whom also offer FM services.

GHCS

GHCS is a Chartered Quantity Surveying Practice, regulated by the Royal Institution of Chartered Surveyors (RICS). We are a versatile, multi-disciplinary construction consultancy, specialising in M&E quantity surveying, to serve the ever-changing construction industry.

www.ghcs.co.uk

GH Engage

GH Engage is an agency specialising in the recruitment of white collar and blue collar construction professionals covering Facilities Management, M&E Contracting, Main Contracting, Housebuilding and Property sectors.

www.ghengage.co.uk

