



Top 30 UK M&E Contractors May 2023



Contents

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01 Introduction

04 Top 30 UK M&E Contractors Table

05 Brief Industry Commentary

11 Accompanying Notes



This is the 4th annual GHCS Top 30 UK M&E Contractors report and it comes at a rare time of relative stability in the industry.

I am pleased to say that this year we have yet again collaborated with the Building Engineering Services Association (BESA). **David Frise** commented *“This is the third year we have developed the Top 30 with GHCS and again it has proved to be a valuable tool to understanding the MEP sector. The industry continues to adapt to the challenges of skills shortages, net zero and the Building Safety Act allowing good companies to differentiate themselves, through innovation and evidence of competence.”*

The past year has been somewhat challenging once again, however, Q1 of 2023 reflects a more somber mood in the industry and I believe we are in the next economic cycle whereby the decline has ended. No doubt the usual challenges lie ahead, but my positive hat tells me that after 4 years of sustained body shots we are not far away from being able to counter-attack and have buoyant years to look forward to again (eventually...hopefully...maybe...). Believe it or not doom and gloom is not the norm.

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

RANKING			CONTRACTOR	TURNOVER £000		
2022	2021	2007		2022	2021	2007
1	1	1	NG Bailey	500,000	507,000	466,721
-	-	2	Dalkia	-	-	428,311
-	-	3	Emcor Group	-	-	378,699
8	9	4	Skanska Rashleigh Weatherfoil	209,400	179,980	325,468
-	-	5	Balfour Kilpatrick	-	-	316,100
5	4	6	Southern Electric Contracting	246,700	303,500	306,151
-	-	7	Haden Young	-	-	288,999
-	-	8	Mitie Engineering Services	-	-	281,600
4	6	9	Crown House	269,400	217,900	211,873
-	-	10	Withdrew from Table	-	-	206,079
3	3	11	T Clarke	425,000	327,100	193,845
-	-	12	Interserve Specialist Services	-	-	190,200
2	2	13	Imtech Technical Services	427,000	355,476	179,051
-	-	14	GSH	-	-	157,401
-	-	15	Integral UK	-	-	147,531
-	-	16	Staveley Engineering Services	-	-	146,522
-	-	17	Inviron	-	-	119,750
6	5	18	Briggs & Forrester	234,150	234,150	114,333
-	-	19	Forth Holdings	-	-	104,006
14	12	20	Gratte Brothers	124,640	152,120	102,664
9	14	21	Michael J Lonsdale	188,200	132,920	99,985
10	10	22	Shepherd Engineering Services	173,038	159,400	88,849
11	13	23	Dodd Group	167,479	142,080	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
21	18	30	Derry Building Services	77,590	77,000	40,849

Sector Total **5,328,222**

RANKING				TURNOVER £000		
2022	2021	2007	CONTRACTOR	2022	2021	2007
1	1	1	NG Bailey	500,000	507,000	737,419
-	-	2	Dalkia	-	-	676,731
-	-	3	Emcor Group	-	-	598,344
8	6	4	Skanska Rashleigh Weatherfoil	209,400	179,980	514,239
-	-	5	Balfour Kilpatrick	-	-	499,438
5	4	6	Southern Electric Contracting	246,700	303,500	483,719
-	-	7	Haden Young	-	-	456,618
-	-	8	Mitie Engineering Services	-	-	444,928
4	3	9	Crown House	269,400	217,900	334,759
-	-	10	Withdrew from Table	-	-	325,605
3	5	11	T Clarke	425,000	327,100	306,275
-	-	12	Interserve Specialist Services	-	-	300,516
2	2	13	Imtech Technical Services	427,000	355,476	282,901
-	-	14	GSH	-	-	248,694
-	-	15	Integral UK	-	-	233,099
-	-	16	Staveley Engineering Services	-	-	231,505
-	-	17	Inviron	-	-	189,205
6	7	18	Briggs & Forrester	234,150	234,150	180,646
-	-	19	Forth Holdings	-	-	164,329
14	9	20	Gratte Brothers	124,640	152,120	162,209
9	13	21	Michael J Lonsdale	188,200	132,920	157,976
10	12	22	Shepherd Engineering Services	173,038	159,400	140,381
11	10	23	Dodd Group	167,479	142,080	119,892
-	-	24	EIC	-	-	115,068
-	-	25	Thermal Transfer	-	-	105,884
-	-	26	Mears	-	-	96,666
-	-	27	Environmental Property Services	-	-	94,206
-	-	28	Norstead M&E Engineering	-	-	81,203
-	-	29	Nomenca	-	-	71,593
21	26	30	Derry Building Services	77,590	77,000	64,541

Sector Total **8,418,591**

This table represents the Top 30 back in 2007, but it has been adjusted to reflect inflation at an average of 3.6% over the past 16 years. This gives us current day figures to make the table more relative.

This is my 2022 Top 30 UK M&E

Contractors table by turnover.

RANKING				TURNOVER £000		
2022	2021	2007	CONTRACTOR	2022	2021	2007
1	1	1	NG Bailey	500,000	507,000	466,721
2	2	13	Imtech	427,000	355,476	179,051
3	3	11	T Clarke	425,000	327,100	193,845
4	6	9	Crown House	269,400	217,900	211,873
5	4	6	Enerveo	246,700	303,500	306,151
6	5	18	Briggs & Forrester	234,150	223,150	114,333
7	7	NEW	Vital Energi	227,010	196,300	-
8	9	4	Skanska Rashleigh Weatherfoil	209,400	179,980	325,468
9	14	21	Michael J Lonsdale	188,200	132,920	99,985
10	10	22	SES Engineering Services	173,038	159,402	88,849
11	13	23	Dodd Group	167,479	142,080	75,881
12	11	NEW	Phoenix	160,055	153,979	-
13	8	NEW	SPIE	148,440	192,530	-
14	12	20	Gratte Brothers	124,640	152,120	102,664
15	15	NEW	Ark Mechanical & Electrical Services	115,000	104,700	-
16	16	NEW	Dornan Engineering	108,010	98,590	-
17	NEW	NEW	Mace MEP	85,400	82,100	-
18	NEW	NEW	Halsion	81,240	58,460	-
19	17	NEW	Essex Services Group	81,080	86,000	-
20	21	NEW	King & Moffatt UK	79,054	65,288	-
21	18	30	Derry Building Services	77,590	77,000	40,849
22	19	NEW	Borough Engineering	72,300	72,300	-
23	25	NEW	JCA Engineering	71,781	61,526	-
24	24	NEW	HE Simm	66,110	61,880	-
25	NEW	NEW	Kane Group	65,500	44,895	-
26	20	NEW	CMB Engineering	64,121	71,343	-
27	22	NEW	LJJ	63,680	64,840	-
28	23	NEW	Cilantro	59,000	60,000	-
29	28	NEW	Designer Group	58,460	56,696	-
30	29	NEW	Swiftline Engineering	57,250	52,100	-

Sector Total 4,706,088 4,361,155

2022 Challenges



The Top 30 M&E contractors survey shows an increase in turnover of 7.3% against a drop of 3.7% for the previous year. The total turnover of £4.706bn has now surpassed the pre-Covid figure of £4.451bn figures and this is encouraging. Arguably, some of the increase in turnover is attributed to contract sums increasing due to inflation, but it appears that the volume of work and labour numbers are also increasing.

The early stages of 2022 still had remnants of the major supply chain issues that engulfed the industry for a couple of years, but **Danny Bavington, Business Unit Director South at SES Engineering Services**, believes that *“we are almost back to ‘normal’ in terms of lead times on MEP materials and plant although EC Fans, Semiconductors and some HVAC products remain on extended lead-times. However, we are now better equipped to deal with longer-lead items and we are able to mitigate this at the outset by building it into our construction programmes.”*

As with the wider economy inflation has also settled down and is envisaged to reduce further, but it is important to remember that this will not result in suppliers lowering prices, it will simply mean that prices aren't rising as much as they were.

2022 Challenges (cont....)



Danny Bavington has seen “a definite increase in large schemes in the last 12 to 18 months, which seems to have caused some saturation in the market. It appears that schemes that were delayed due to Covid have now been coming through but at the same time as planned pipeline, causing issues with supply chain response due to their workloads. In addition, we’re also seeing pressures on Cost Plans and budgets this year, a reflection on both the effect of inflation but also a very busy supply chain environment when it comes to tendering out the specialist packages.”

Looking ahead



Last year I reflected on a healthy pipeline of work and it appears, that in some sectors at least, this has come to fruition. **Danny Bavington** states that *“While healthcare seems to have gone a little quiet with the delay of the New Hospitals Programme, Life Sciences seems to have really picked up. There are a large number of projects going ahead in the future laboratory fitout sector and it seems like a few of these have been switched from Commercial office schemes, which leads us to think that it’ll push a bit of a race to market, certainly in Central London.”* On the other hand, other sectors such as residential and hotels still retain a level of uncertainty; **Cathal McMullan, Managing Director at Kane Group** advises that *“there is still a delay in decision making due to stakeholders re-assessing their requirements and seeking further cost reductions in schemes.”*

The issues within the residential sector will undoubtedly persist for the foreseeable future. The mortgage interest rate increases will cool the market due to mortgage availability and affordability. Furthermore, the introduction of second staircases within high-rise buildings will severely affect the NIA of buildings and a reduction in private apartment numbers will have a major impact on the feasibility and profitability on a number of schemes. The re-design and revised planning will add additional fees before construction has even begun, so developers will either be looking for ways to reduce construction costs or increase sales figures – the latter can surely only be achieved by renegotiating the social housing contribution, one thing is for sure and that is that something has to give.

Looking ahead (cont....)



The Building Safety Act and Net Zero ambitions are hot topics and rightly so. The likes of SES Engineering Services and Kane group are at the forefront of preparing actions to ensure they are compliant and playing their part in dealing with these issues.

Danny Bavington advises that *“Net Zero is hugely important and we’re proud to be CLC Business Champions in this respect. We’re already seeing an increase in the gravity this is given during the tender process so we know the message is out there, but we all need to make it forefront in our thinking if we are truly going to change our industry. Having in-house consultants really optimises our offering, not just in terms of projects but how the business itself can strive towards Net Zero and this is a huge focus for us. We’re determined not to fall in to the trap of carbon offsetting or “green washing”, but making a meaningful commitment to a true Net Zero approach, backed up with empirical evidence.*

Currently we are moving towards full carbon costing of our projects, are already providing demonstrable embodied and operational carbon reduction through better engineering and are helping our customers to understand what is achievable to make their developments industry leading.” **Cathal McMullan** explains that Kane Group are doing the same and *“clients have made it very clear that this will be integral on their schemes moving forward.”*

What does the future look like?



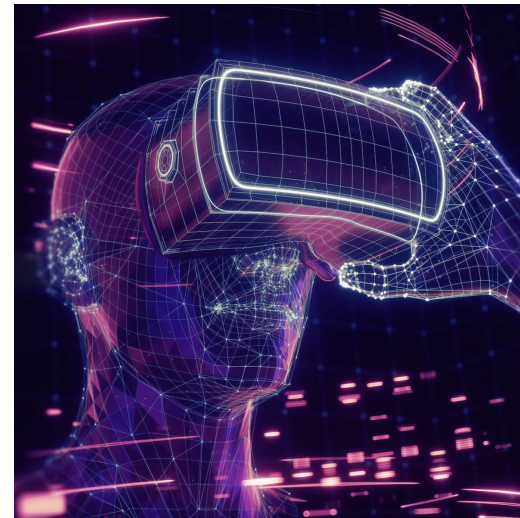
The workload in the medium term will likely derive from the commercial sector, data centres, high-tech, infrastructure and affordable housing. A 'boom' is certainly not envisaged for a number of years and this in itself gives us an opportunity to bring through more home-grown talent to offset the loss of EU labour. I haven't heard many rumblings recently about labour shortages, so this short term risk seems to have settled. The Building Safety Act will no doubt have an impact on construction design, production and costs and **Danny Bavington** believes this will be good for the industry; *"SES welcome the Building Safety Act and what it will mean to the industry – both directly and indirectly and we hope that it will create a cultural revolution driven by competence, collaboration, attention to detail, quality and compliance – ultimately resulting in safer buildings for the users and occupants. We have been adapting our Operating Framework to ensure that our processes, procedures, control measures and governance are contemporary with the Act - and as a business we have an independent building safety team leading on how we successfully implement these."*

What does the future look like? (cont....)



The future in terms of construction methods is something that will undoubtedly evolve. We have gone from hand-drawn CAD, over-crowded sites to digital scanning and a big reliance on off-site fabrication. Bearing in mind the drive to Net Zero (or at least a reduction in our carbon footprint for that matter), what does design and construction look like in 10 years?

Cement production accounts for 8% of the global Co2 emissions; is there a new sustainable material on the horizon that will replace steel and cement? Will robots be carrying out the majority of the physical work on site? Will we even need physical buildings or will we be living as souls within a metaverse (matrix)?!



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.

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