



Consultancy Market Guide 2011

Despite slow economic recovery and public spending cuts, parts of the environmental, carbon and sustainability consulting market are buoyant

Inside

- Assisting clients at a time of change and austerity
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Managing environmental change

How is the environmental consultancy sector helping Britain go green at a time of change and austerity? **David Carr** finds out

Two years after the trough of recession, how is the UK's environmental consultancy sector supporting organisations struggling with the fast evolving green agenda?

With the help of our annual survey of environmental, sustainability and carbon consultancies, we shine a renewed spotlight on one of Britain's key green industries. This special report will also explore prospects for the country's wider transition to a greener, low-carbon economy as seen through the eyes of consultancies.

Several key messages emerge and will be discussed in greater depth.

First, growth in demand for environmental consultancy services will not resume seriously until the economy kicks back into gear. Put simply, green without growth is not good for anyone's business.

Second, the still-gathering squeeze on public spending is likely to lead to a significant reduction in local and central government spending on consultancy support. Given the acute need for government leadership of the next phase of Britain's green drive, this is potentially worrying.

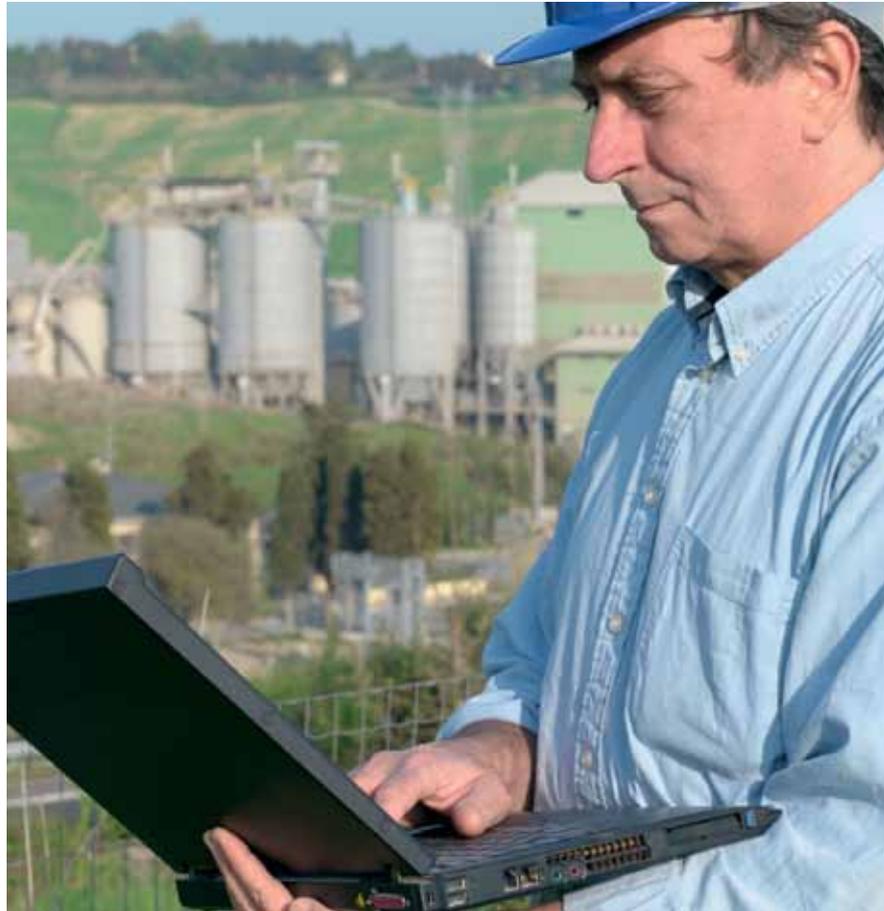
Third, the UK's promised green energy revolution, which is supposed to involve £110bn of investment in the next ten years, is not as visible to the consultancy sector as it should be.

A majority of survey respondents foresee growth in this area, but at a slower rate than might be expected given the enormity of the transition that is supposed to be happening.

Finally, while it may be obvious to some it is worth restating: adjusting to and complying with legislation remains the key driver for environmental consultancy services. If the government started to unpick the existing framework of green laws, as some fear could happen through its red tape review (ENDS Report 435, pp 48-49), it could unleash serious trouble – and not only for environmental consultancies' balance sheets.

With these factors in mind, it is clear that the year ahead will be another tricky one, for many UK environmental, carbon and sustainability consultancies.

Nevertheless, some market growth is in prospect and those organisations most adept at meeting clients' needs will be best placed to seize the lion's share of it. ■



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Ensuring clients' cost-effective compliance remains the number one goal

The ENDS survey of environmental, sustainability and carbon consultants 2011

ENDS has been polling the environmental consultancy sector annually since 2002.

This year's review, as always, generated fascinating insights into the state of the sector. It also shines a light on the key environmental challenges faced by the country generally.

More than 50 consultancy firms responded (see box, p 15), underlining the hugely diverse spread of organisations active in the sector.

All company sizes took part, from one-man bands to international operations with multi-billion pound turnovers.

Multidisciplinary leaders are represented, as well as niche specialists in areas from ecology to contaminated land, and sustainability strategy to energy and carbon management.

The survey respondents are a representative sample of the UK's overall environmental, sustainability and carbon consulting market place.

Legislation remains key

Legislation continues to drive demand for consultancy services, though the market is undermined by ongoing economic weakness

For years, demand from clients for environmental, carbon and sustainability consultancy services had been on a seemingly inexorable rise. But recession brought growth to a halt and sent the UK market into a tailspin. Indeed, the 2009 downturn was the first market contraction seen in the modern era of environmental consulting.

Recovery last year was gradual, patchy and far from widespread. While demand picked up in some sectors, in others it remained in a rut.

And the first half of 2011 has remained difficult for many. Consultancies exposed to the land, property and development sectors remain squeezed, with client demand in these areas yet to recover strongly.

Waterman Group is among them. In its May interim management statement, the engineering and environmental consultancy said it had “witnessed slower trading than originally anticipated”. Describing the property market as “still challenging”, it said fee levels remained under pressure.

Key business drivers

Despite the market ructions, continuity in the main factors influencing demand for consultancy services emerges from this year’s survey. Those for UK environmental, carbon and sustainability consultancies remain the actions of government and regulators.

And despite the government’s preference for a slimmer state and a pruning of the regulatory landscape, legislation and

enforcement remains the most important business driver of all. When asked to indicate up to five key current drivers for their UK environmental, carbon or sustainability consultancy services, 85% of respondents identified it. Half noted government policy initiatives.

Nigel Clark, marketing director at SKM Enviro, says meeting regulatory requirements and saving money are companies’ primary environmental drivers.

“The price of energy will remain a driver for green progress. Energy efficiency is no longer a ‘nice to do’ but vital for survival

Niall Smiddy, Environ

“Policy initiatives are important too,” he says. “Clients expect us to be able to guide them on the implications of policy developments in their business and we need to be able to ‘see round the corner’ for them.”

And despite ongoing economic weakness, new development, infrastructure and regeneration remains another important business driver.

Noted by three in five consultancies, it is the second most widely cited factor this year. David Nancarrow, director at multi-disciplinary consultancy Atkins, says

infrastructure is of “key importance” to its environmental consulting business.

Demand is being underpinned by the growing emphasis on sustainable infrastructure development in areas such as energy, buildings, water, waste, transport and flood defence.

Work related to the London 2012 Olympics and major transport infrastructure developments such as Crossrail has also boosted demand. And in the energy sector, infrastructure development, much of it low-carbon or renewable, is providing further buoyancy.

Green image

Corporate responsibility was noted by a third of consultancies as a key business driver, while three in ten noted client relationship management.

It is largely clients’ growing realisation of the importance of their wider ‘green’ image that is driving demand for consultancy services in these fields.

Meanwhile, supply chain pressure and undertaking due diligence for mergers, acquisitions and divestments were noted by a quarter of consultancies as key business drivers. One fifth mentioned brand risk management.

And despite the spending cuts, outsourcing, particularly by the public sector, is considered a key business driver by a quarter of consultancies.

Among them is energy and carbon solutions provider, Camco. Its UK director, Dave Worthington, says organisations’ demand for energy and carbon management services is growing, despite their dwindling resources.

“The public sector is becoming increasingly resource constrained but the long-term environmental targets and cost-saving opportunities remain,” he says.

“Clients are looking to package off the more complex risk elements to solutions providers and increasingly, we are fulfilling the role of energy managers for councils.”

He added: “Despite the current budget constraints, organisations see the short-term cost of buying in services are more than offset by the savings in energy bills.”

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Figure 1
Main drivers of UK consultancy business





Ongoing weakness in construction activity is undermining many consultancies' near-term prospects

But outsourcing is not considered an important business driver by most consultancies and wider public-sector austerity largely explains why.

In its May statement, Waterman Group blamed government spending cuts for the downturn in its outsourcing business. Significantly, it noted that market contraction had become “more acute following the finalisation of local authorities’ budgets in April”.

Growth constraints

A number of constraints on business growth are affecting consultancies. Chief among them are the state of the national economy and the public spending squeeze. These factors were noted by 85% and 62% of organisations respectively, this year.

Three quarters and half of consultancies cited them in 2010. ENDS noted that “with the recovery fragile, the risks of the fiscal squeeze tipping the economy into a further period of sluggish growth [were] real” (ENDS Green Consultancy Review 2010, pp 5-8).

Now, with the spending cuts biting and the private sector struggling to take up the slack, the UK economy remains in a precarious position. Many consultancies are

finding business growth hard to come by. They are concerned that prospects will be further hit by continued economic weakness and the effects of the fiscal squeeze.

And they are right to be worried. Hit by a slump in construction activity, the UK economy flat-lined over the winter and signs of a pick up have been few and far between (ENDS Directory 2011, pp 7-9).

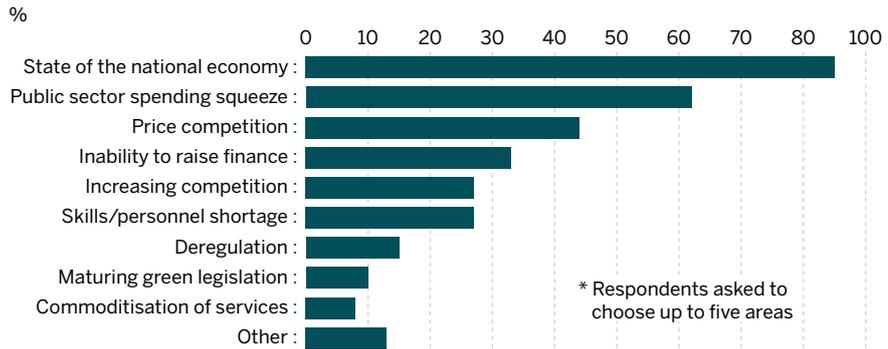
Moreover, the UK is susceptible to the economic ructions under way in the

Euro-zone, despite not being part of the single currency.

In short, uncertainty, economic fragility and risks to growth are the watchwords. At best, a further period of sluggish growth is in prospect for the UK and a relapse into flat or negative growth cannot yet be ruled out.

Paul Winter, president of the Management Consultancies Association sums it up: “The economy is still struggling and the outlook remains fragile.” ■

Figure 2
Constraints on UK consultancy business growth



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Identifying the growth areas: the good, the bad and the ugly

Consultancies' expectations reveal a lot about the likely focus of green action in the next year or two

Environmental consultancy covers an enormous spread of work areas. In our survey we set out to identify the hot spots and the 'stick in the muds'.

Respondents were asked to identify top growth areas for their organisation over the coming year, plus those areas relevant to their organisation that they expect to be most constrained. The net balance between growth and contraction expectations paints a vivid picture (see figure 3, p 10).

More than two in five respondents identified energy management (including green buildings and renewables) as a growth area. One third cited carbon measurement, management and reduction as having positive prospects.

Demand for such services is being underpinned by the rise in energy and carbon prices. "Increasing energy prices have continued to spur businesses into action," says SKM Enviro's Mr Clark.

"And whatever develops in the carbon policy agenda, clients know that carbon and energy prices are only heading in one direction, so it makes commercial sense to develop strategies and actions to save both."

Jonathan Ben-Ami, Arup's director of sustainability consulting, says the rise of carbon and sustainability considerations to boardroom level is another important factor.

Renewables

And growth in the incorporation of renewables into new building design, carbon footprinting and data management are of relevance too, further underpinning consultancy demand in the sector.

Consultancies best-placed to meet clients' evolving needs will reap much of the market growth in these areas. RPS will be among them. In its May statement, the consultancy noted "increasing levels of activity from many of [its] clients", adding that its energy business was expected to display "good growth" during the year.

Waste management and recycling is another important area offering consultancies scope for growth this year. Three in

ten organisations cited the sector as having buoyant prospects. Rising demand is largely being driven by tighter regulation. Andy Young, UK commercial director of RPS Planning & Development, says the key driver is the landfill tax.

"This legislation alone means that doing nothing is not an option for local authorities who are responsible for collection of household waste," he says.

There is also the European Landfill Directive, which requires 65% of the household waste volumes of 1995 to be diverted from landfill.

““ There are growth opportunities stemming from the diversion of waste from landfill and the associated infrastructure requirements

Brad Blundell, WSP Group

Given the regulatory pressures, Mr Young sees growing scope for environmental consultancies to advise councils on waste disposal technologies.

Market growth also exists in working with waste management companies on gaining the necessary planning consents, carrying out environmental assessments and designing facilities.

And consultancy focused on improving waste treatments' financial viability is a further area set for growth, says Mr Young.

In particular, areas such as feed-in tariffs for generated electricity and renewable heat incentives for exporting waste heat from processes such as gasification or mass burning.

Indeed, the growing links between the waste, energy efficiency and carbon agendas is providing quite a fillip to demand prospects for consultancies' services.

"Whereas our experts in those fields used

to operate separately, they are now more than ever working side by side on projects," says Mr Clark.

"We face huge challenges on waste management and equally large opportunities for resource efficiency, recycling and resource recovery, so we are very positive about the prospects for consultancy demand in this area," he says.

And despite the planning system being in a state of flux, demand prospects in impact assessment (EIA/SEA) and planning-related consultancy fields are seen as offering scope for business growth, by two in five consultancies.

RPS said activity levels in UK planning and development consulting had shown "some improvement during the first quarter".

A more stable market

In its statement, the consultancy also noted the market as being "more stable", but added: "Until economic recovery becomes stronger and the effects of government spending cuts on our clients become clearer, uncertainty will remain."

Meanwhile, work related to policy, permitting, compliance and government relations is an area seen as offering growth prospects by a quarter of consultancies.

The same proportion noted staff training and competency as a buoyant sector for their business.

One in five noted liability, auditing and due diligence; the same proportion that cited certification and assurance as offering growth possibilities.

But some areas that have formerly offered consultancies good growth prospects remain well down the 'league table' of sectors with buoyant prospects.

Contaminated land and remediation is chief among them. Driven by demand from developers, the sector has long been a major contributor to environmental consultancies' turnover and activity.

But its position as a major growth sector has slipped in recent years. As the sector

► dipped in 2009/10, just a tenth of consultancies saw it as offering buoyant near-term growth prospects.

Now, still only one in seven consultancies see it as such.

Weathering the storms

Atkins is among the optimists. Director David Nancarrow says it is the larger organisations that have been better placed to weather the market storms in the sector.

“Our contaminated land and remediation business has been helped by relationships with large developers and by infrastructure projects,” he says.

“Clearly, those organisations that have larger and longer-term projects will benefit, when conditions are generally more challenging.”

But more than a fifth of organisations remain bearish on the 2011/12 growth prospects in contaminated land and remediation consulting.

The sentiment evident last year has persisted, driven by the ongoing weakness in brownfield development, the wider property market downturn and the slump in house building.

“These areas are proving slow to rebuild momentum after the recession and any opportunities that do arise are tempered by

fierce competition for market share,” says SKM Enviros’ Mr Clark.

Policy developments and funding cuts are adding further to the brownfield sector’s woes.

English councils’ contaminated land capital grants have been slashed and those for Welsh councils axed completely. And given the government’s deficit-reduction agenda, there is no prospect of the cuts being reversed any time soon (ENDS Report 435, p 33).

“There is a danger of planning authorities cutting specialist services such as biodiversity and then not being able to fully consider them in the planning process

Caroline Mackay,
Thomson Ecology

While private-sector developers continue to provide much of the demand for contaminated land and remediation consulting, activity undertaken by councils under the part 2A regime underpins the sector as

a whole and the loss of funding for it is a serious blow.

Moreover, the prospect of land remediation relief being abolished by 2012 is further undermining business confidence (ENDS Report 437, p 48). The tax break has been worth about £40m a year, to companies undertaking land remediation.

It offers relief from corporation tax on expenditure incurred in brownfield redevelopment, but its 2012 abolition would make some marginal projects less viable.

Taken together, these factors are all serving to undermine the prospects for many consultancies in the contaminated land and remediation sector.

“Any [consultancy] involved in construction, contaminated land and remediation via the planning regulations is at risk,” concludes Janet Murfin, director at environmental consultancy TT Environmental.

Contaminated land and remediation joins two other land and development-related sectors at the top of the list of areas perceived to offer poor near-term consultancy demand prospects; Ecological and landscape management was cited by a quarter of respondents and impact assessment (EIA/SEA) and planning by 22%.

Despite growing realisation of the need for ecosystems’ preservation in the face of

Figure 3
Top opportunity areas and disciplines that will be constrained, net balance



pressure for development on finite land, it is clear that demand for consultancy services in this field is being hit by the downturn in development activity.

Long-term developments

Over the longer term, consultancies see the demand-side evolving in a number of ways. One of the key factors is the move towards a low-carbon economy and the rising focus on sustainability considerations.

But the transition to a low-carbon economy is, by its very nature, a long-term development and the pace at which government and businesses respond will serve to influence the nature of consultancy services demanded.

Businesses, driven largely by reputation and cost-saving motives, are taking on more of a leadership role. And as important as policy and regulatory developments will remain, it is what businesses do in addressing the low-carbon and sustainability challenges that will increasingly shape the consultancy market's longer-term evolution. ■



The waste sector offers consultancies much scope for business growth

Contrasting customer trends

Some dramatic changes are in the offing, with the public sector threatening to substantially remove itself from the consultancy sphere

As the pressure for better environmental management has grown, so consultancies have found customers across virtually all types of organisations. Only the small and medium enterprises sector has remained stubbornly resistant to paying for advice or support. And thousands of small companies now get help through free services such as the Environment Agency's NetRegs service and green business clubs and networks.

Of environmental consultancy's many client groups, which are actively seeking support and which are pulling in their horns? Our survey sought to find out by asking respondents to identify client sectors perceived as offering the best growth prospects to 2015, and those offering poor growth prospects (see figure 4, p 12)

Public spending cuts

The most striking result by far is the widely held expectation that both central and local government will be constrained. Here we see writ clear the result of public spending cuts. All government bodies cut promotional and communications spending within weeks of

the coalition government taking office. Now we see the tap being closed on more substantive work on developing and implementing environmental improvements.

In contrast, given the energy sector's key role in the shift to a low-carbon economy,

“ The land development market shows very limited evidence of growth with price and quality competition firmly established

Benjamin Rosedale,
The Environmental Dimension Partnership

it was unsurprisingly cited as providing strong four-year demand prospects by almost three fifths of organisations.

And despite the current market weakness, many expect construction and property market activity to pick up over the next four years. Clients in these sectors were

cited by half of consultancies as offering good demand growth prospects to 2015.

Conversely, one in four is pessimistic on the prospects to 2015. They see construction and property clients as offering poor demand prospects over the next four years.

Meanwhile, manufacturers are thought to offer growth opportunities by a third of consultancies. The sector's importance to the UK economy has historically been shrinking, but its recovery prospects as the economy is rebalanced and investment picks up offers some cause for optimism.

Due diligence consulting

Due diligence consulting is one of the areas likely to grow as the manufacturing sector picks up. Consultancies with clients in this sector are set to benefit accordingly.

Meanwhile, waste sector clients and those in the oil and gas industry are each seen as offering favourable four-year demand prospects by a quarter of consultancies.

Despite moves to low- and zero-carbon energy sources, the addiction to fossil fuels shows no signs of ending any time soon.

It is clear that oil and gas sector clients

will continue to be important to many environmental consultancies over the longer term.

Somewhat surprisingly, given its budgetary constraints, local government was also tipped by a fifth of consultancies as a client sector likely to exhibit buoyant demand growth to 2015. Continuing legislative pressures on local authorities, such as taking further steps to reduce the land-filling of biodegradable municipal waste, are likely to be important factors here.

Poor demand growth prospects

But positive expectations of local government are greatly outnumbered by those seeing this client sector as offering poor demand growth prospects over the next four years.

Indeed, when asked to identify up to five client sectors offering the worst prospects to 2015, two thirds of respondents noted local government. The same proportion also cited central government.

Not surprisingly, it is the scale of the public spending cuts pencilled in to 2015 that is causing consultancies to be bearish on demand prospects from the public sector. "There are some worrying times ahead, especially for consultancies that are more dependent on public sector clients," says Jonathan Ben-Ami, Arup's director of sustainability.



Retailers' woes mean this client sector offers little joy for consultancies

"Many of the spending cuts are yet to kick-in and it will be a patchy picture going forward," he says.

Finally, one in seven consultancies sees retail sector clients in a similar way. Retailers have come under particular pressure in the past two years, hit by the squeeze on real disposable incomes, the shift to on-line shopping, soaring rents and intense competition.

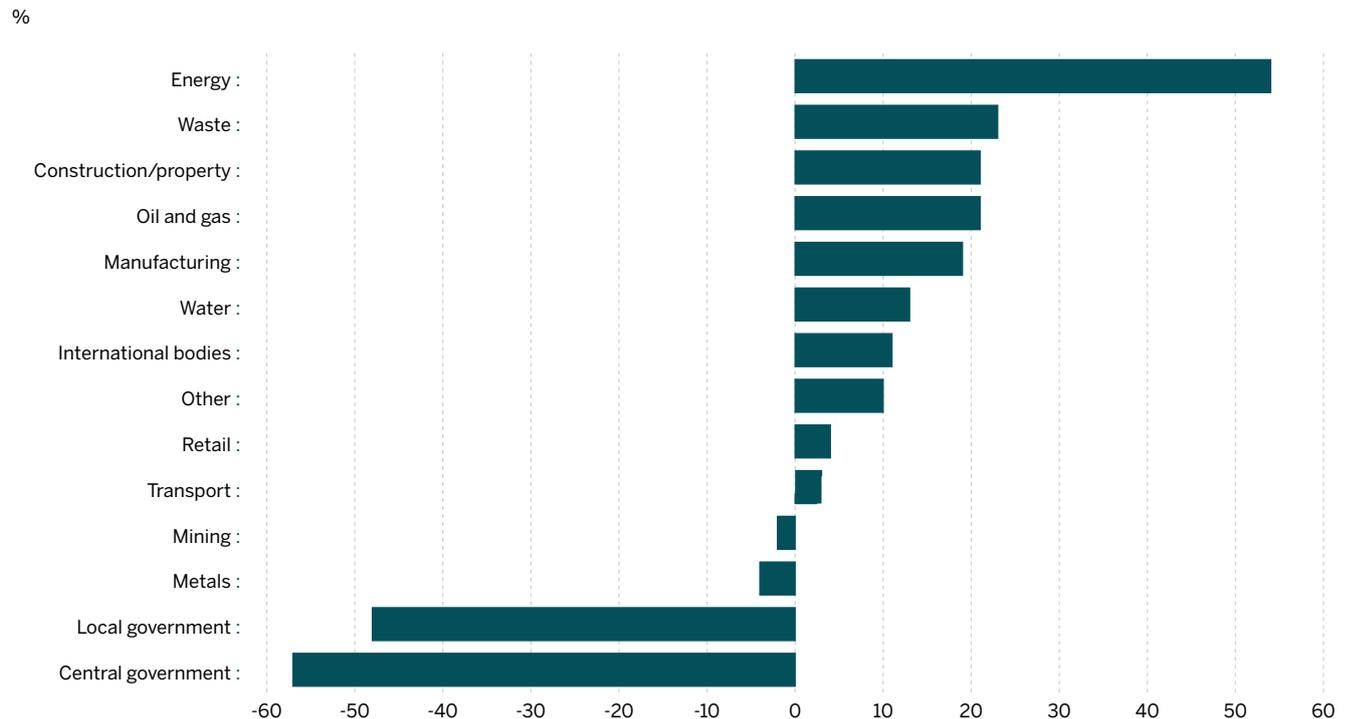
For many retailers, expansion plans have been ditched or put on ice, alongside

plans for new development. Moreover, several high-street names have gone to the wall recently and others are struggling to survive. The sector as a whole faces a protracted period of restructuring.

And for as long as consumers' incomes remain stretched, the retail sector seems set for slower growth over the longer term.

It seems clear that retailers will offer little joy for environmental consultancies seeking robust demand growth for their services. ■

Figure 4
Growing and shrinking client sectors, net balance



Fighting it out in a tight market

Given the evolving market, which of the many types of consultancy look best prepared for future growth?

The structure of the environmental, carbon and sustainability consulting marketplace has long been evolving.

On the one hand, the market has become more fragmented, with new entrants seeking a foothold on the turf traditionally occupied by the established 'full-service' environmental consultancies. On the other, merger and acquisition activity has consolidated some organisations' market position.

The recession and its aftermath, the 2009 market downturn and slow recovery since have served to accelerate these trends, further shaking up the market's structure.

Some organisations have folded, while others have been bought by firms with a strategic vision and the necessary financial muscle.

Rising competition

At the same time, the large, full-service environmental consultancies have faced rising competition from sector-specific specialists, engineering-based firms and the large established 'management' consultancies.

From something of a low base, these organisations have chipped away at the market space held by the large, established consultancies.

Recent data from the Management Consultancies Association (MCA) bear this out. The MCA's 51 member companies include the 'big 4' management consultancies (Deloitte Touche Tohmatsu, PricewaterhouseCoopers, Ernst & Young and KPMG) alongside engineering-based firms such as Mott MacDonald, Mouchel and Arup.

These 51 firms' environmental consulting revenues rose 22% last year to £87m, comfortably outstripping the 1% growth in the wider consulting market.

Those MCA member companies with a heritage in civil engineering and project management fared best in the environmental consulting sphere last year.

The data are revealed in the MCA's annual statistical review, the UK Consulting Industry Statistics 2011.¹ They compare with 2009 dips of 6%, in both their environmental consulting revenues and wider consulting activities (ENDS Report 424, p 12).

The recession caused the market to shrink in 2009 as companies focused on

cost-cutting, but private sector demand drove much of the rebound in environmental consulting revenues last year.

And bucking the wider 15% dip in demand from the public sector, MCA members' public sector environmental consulting revenues rose 13% last year.

But despite the rise of these 'new kids on the block', the large, established full-service environmental, sustainability and carbon consultants, alongside those specialising in a particular sphere, retain a large part of the UK market.

Nevertheless, the outlook for the environmental, carbon and sustainability consultancy market is uncertain. The market is showing no signs of returning to pre-recession rates of expansion.

“ We expect foreign penetration of the UK consultancy market to accelerate. The UK firms that succeed will be a small number of global players, and a large number of niche players
Paul Ashley, Mott MacDonald

Consequently, turnover growth for many organisations will be slow at best. While some consultancies foresee more rapid growth, much depends on the composition of the organisation's client base.

Those with a greater proportion of clients in the energy and waste sectors, or those with expertise in areas such as carbon and energy management, will enjoy most of the gains from market growth in these areas. In contrast, consultancies that are more geared towards public sector clients face a much tougher time in growing their turnover.

Indeed, analysis of organisations' forecast change in their UK environmental, carbon or sustainability consultancy turnover indicates a mixed picture.

Of those providing ENDS with an estimate of their expected 2011/12 turnover growth, one third see a flat or declining picture. Half of these expect their turnover to

fall, the other half expect to see 'zero' growth.

Two thirds expect to enjoy some growth in turnover over the next 12 months, but for a quarter of these, the increase will be in single-digit percentage terms at best.

Fewer than half of consultancies surveyed by ENDS foresee double digit turnover growth. And for some, this will be from a low base, given the market contraction of 2009 and the slow recovery of last year.

The near-term employment outlook is similarly lacklustre. Two in five consultancies expect to either lose staff or to not add to the payroll in their UK environmental, carbon or sustainability consultancy operations over the next year.

The finding mirrors that of ENDS' annual survey of environmental professionals, undertaken in January and February 2011 (ENDS Report 434, pp 38-41).

This revealed green-collar employment levels declining at three in ten professional, scientific and technical service providers and consultancies, and a flat employment picture at half of such organisations.

Mott MacDonald is among those consultancies that have had to shed UK staff in areas exposed to shrinking demand from public sector clients.

And geotechnical and environmental consultancy, Southern Testing Laboratories, is typical of many businesses that expect to see some modest turnover growth this year, but no increase in employment levels.

Modest employment growth

Some employment growth, however limited, is expected at three in five environmental, carbon and sustainability consultancies surveyed by ENDS.

A quarter of these said growth would be no greater than 5%, while the others were more bullish, forecasting double digit percentage employment growth over the next 12 months.

With market conditions tough, competitive pressures are further impacting business prospects. Indeed, more than a quarter of environmental, carbon and sustainability consultancies see rising competition as a key current growth constraint.

SKM Enviros' Mr Clark says the UK has become an advanced environmental



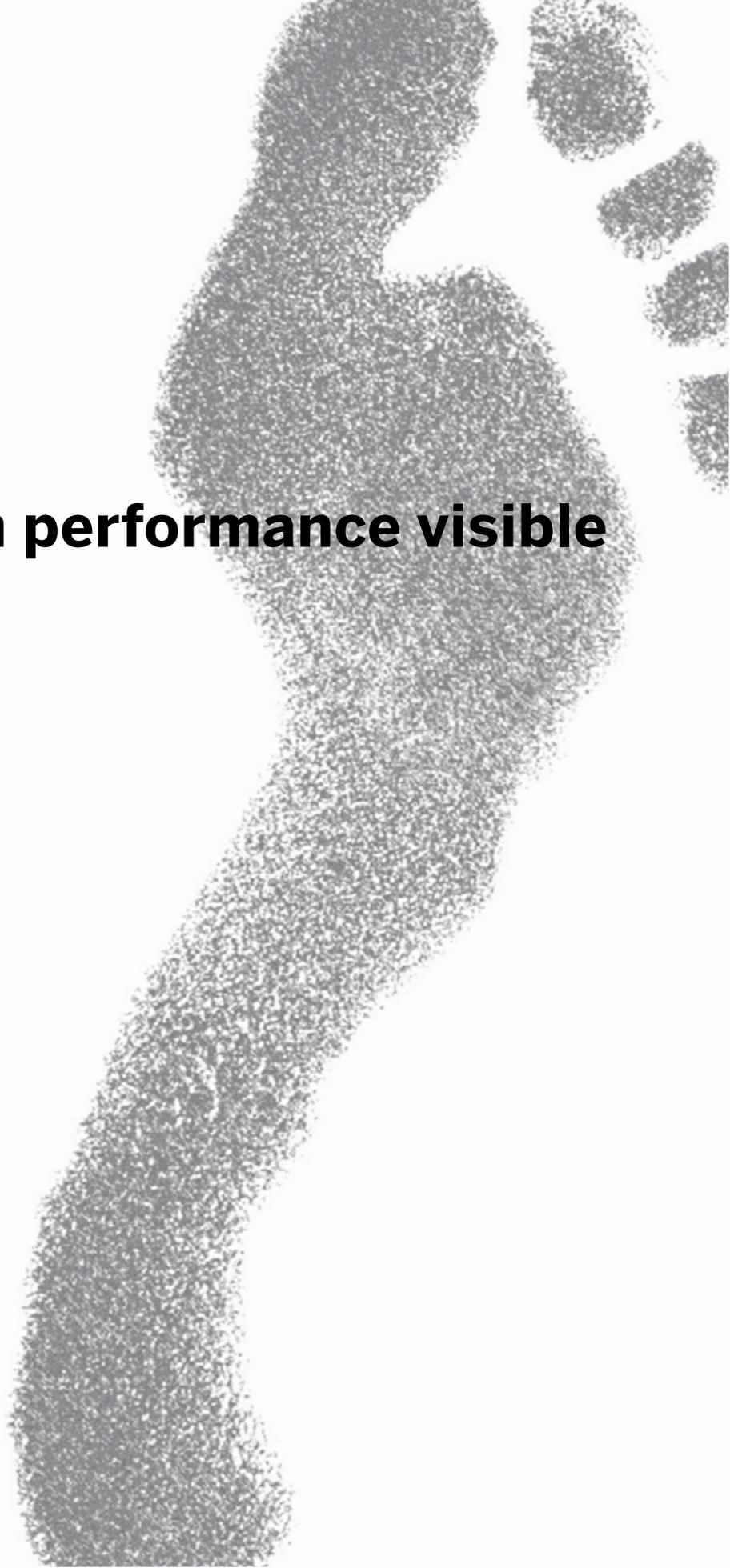
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services market and one in which organisations must be competitive to succeed.

“New and existing firms are always looking to break into different sectors, especially if their traditional markets are falling away. To do so, they are willing to price low to gain experience,” he says.

“Although the market outlook is looking better, we expect any growth will be hard fought over.”

And importantly, almost half of consultancies see price competition as a major constraint on their 2011/12 business growth prospects. Consequently, growth in average fees charged will be lacklustre for many.

When asked to forecast the percentage change in their average fees over the coming year, consultancies’ responses were wide-ranging.

A few expect declines of up to 10%, while a handful foresee average fee growth of 10-20% or more. But half expect to see no increase at all over the next year.

Of those forecasting any growth in average fees, for most it will be 5% or less. And with wider inflation at about this level, most consultancies will see real (inflation-adjusted) erosion in average fees earned this year. Revenues, margins and profitability will all be hit accordingly.

Discount-seeking clients

Duncan Laxen, managing director of Bristol-based Air Quality Consultants, says clients are seeking discounts on top of already competitive quotes, which service providers are having to grant to win work.

“We have maintained our work loads through the recession, but we are often undertaking jobs at price levels akin to those of two years ago and given the general rate of inflation, this has eroded our margins,” he says.

And even where growth prospects exist, an inability to raise finance remains a likely drag on expansion plans for many.

This factor was cited as a major growth constraint by a third of consultancies this year. A year ago, it was noted by a quarter; clear evidence that banks’ reticence to lend is holding back expansion plans and that the ‘credit crunch’ remains real for many.

Some are seeking alternative financing, among them WYG. It is looking to a capital restructuring to provide funding for expansion and in June invited shareholders to consider a £30m share issue.

Paul Hamer, WYG’s chief executive, says it should help to “establish a stronger platform from which to take advantage of the growth opportunities that now exist”.



A majority of consultancies expect growing demand from energy sector clients

But many such opportunities are overseas and WYG is among those organisations that have had to look abroad for growth, amid ongoing domestic market weakness (ENDS Report 428, pp 32-36).

And despite weakness in the wider green-collar labour market, skills and personnel shortages are continuing to impact some consultancies’ growth prospects (ENDS Report 434, pp 38-41). Almost a third of them say such shortages are a constraint for them.

They are most apparent in the energy and carbon, waste and resources and complex project management spheres, particularly EIA and environmental management, says Mr Clark.

In these areas, consultants with the necessary skills and experience are in short supply, while demand for their services is growing. ■

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1. *UK Consulting Industry Statistics 2011*

Survey respondents

AA Environmental, Air Quality Consultants, APEM, Atkins, BBS, BJP Consulting Group, Black & Veatch, Border Geo-Science, Camco, Carey Ambrose, Cole Jarman Associates, Cyril Sweett, DIEM, DPP, Encor Consulting, Environ, Environmental Perspectives, Environmental Resources Management (ERM), Environmentally Sustainable Systems, ESI, Evesham Energy, Goth Energy Management, Green Brain Associates, H2 Compliance, Hilson Moran, Inbuilt, Jee, Land Quality Management, Land Use Consultants, LBH Wembley Geotechnical & Environmental,

Mott MacDonald, Mouchel Group, NESAs Environmental Consultants, Nicholas Pearson Associates, NJL Consulting, Oakwell Energy Consulting, Pick Everard, Rachel Widdows Associates, Redding Associates, RPS Group, RSK Group, Scientists International, Shepherd FM, SKM Enviros, Soilutions, Southern Testing Laboratories, Stewart King Environmental Engineers, T4 Sustainability, Telford Environmental Consultancy, The Environmental Dimension Partnership, Thomson Ecology, TT Environmental, Waste Research, WSP Environment & Energy



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