

environmentanalyst

UK MARKET INTELLIGENCE SERVICE

**Environmental Consulting
Service Area Opportunities**

SAMPLE REPORT

2019

V1, October 2019

2. List of figures

Fig 1	Market revenue breakdown by service area 2016-2018	6
Fig 2	Proportion of market revenue in each service area, 2016-2018	7
Fig 3	Revenue growth in each service area, 2017-2018	8
Fig 4	CAGR in each service area, 2012-2017	9
Fig 5	Absolute revenue growth in each service area, 2012-2017	10
Fig 6	Numbers of professional staff (full-time equivalent) in each service area	10
Fig 7	Historic revenue growth in top 4 service areas, 2007-2017	11
Fig 8	Historic revenue growth in mid 4 service areas, 2007-2017	11
Fig 9	Historic revenue growth in low 4 service areas, 2007-2017	12
Fig 10	Market share of top ten firms by service area, 2016-2017	13
Fig 11	Historic revenue and growth rates in air quality consultancy, 2007-2022e	14
Fig 12	Top firms in air quality consultancy, 2015-2017*	15
Fig 13	Historic revenue and growth rates in climate change & energy consultancy, 2007-2022e	18
Fig 14	Top firms in climate change & energy consultancy, 2015-2017*	19
Fig 15	Historic revenue and growth rates in contaminated site assessment/remediation consultancy, 2007-2022e	22
Fig 16	Top firms in contaminated site assessment/remediation consultancy, 2015-2017*	23
Fig 17	Historic revenue and growth rates in ecological/wildlife services consultancy, 2007-2022e	26
Fig 18	Top firms in ecological/wildlife services, 2015-2017*	27
Fig 19	Historic revenue and growth rates in impact assessment consultancy, 2007-2022e	30
Fig 20	Top firms in impact assessment consultancy, 2015-2017*	31
Fig 21	Historic revenue and growth rates in environmental risk & due diligence consultancy, 2007-2022e	34
Fig 22	Top firms in environmental risk & due diligence services, 2015-2017*	35
Fig 23	Historic revenue and growth rates in environmental management & compliance consultancy, 2007-2022e	38
Fig 24	Top firms in environmental management & compliance consultancy, 2015-2017*	39
Fig 25	Historic revenue and growth rates in environmental noise & vibration consultancy, 2007-2022e	41
Fig 26	Top firms in environmental noise & vibration consultancy, 2015-2017*	42
Fig 27	Historic revenue and growth rates in sustainability strategy & ESG consultancy, 2007-2020e	44
Fig 28	Top firms in sustainability strategy & ESG consultancy, 2015-2017*	45
Fig 29	Historic revenue and growth rates in waste management/circular economy consultancy, 2007- 2022e	48
Fig 30	Top firms in waste management/ circular economy consultancy, 2017-2019*	49
Fig 31	Historic revenue and growth rates in water quality & resource management consultancy, 2007- 2022e	52
Fig 32	Top firms in water quality & resource management consultancy, 2015-2017*	53
Fig 33	Additional revenue forecast in each service area, 2018-2022	56
Fig 34	Forecast CAGR in each service area, 2018-2022	57
Fig 35	Revenue growth trends in top 5 service areas, 2012-2022e	58

1. Contents

1. Contents 2

2. List of figures 3

2.1 Environment Analyst 4

2.2 Report methodology and definitions 4

2.3 Acknowledgements 4

2.4 Accessing other reports and profiles in the series 4

2.5 Service areas overview 5

2.6 Market breakdown, historic growth and key metrics by service area 6

2.7 Air quality consultancy 14

2.8 Climate change & energy consultancy 18

2.9 Contaminated site assessment/remediation consultancy 22

2.10 Ecological/wildlife services 26

2.11 Impact Assessment 30

2.12 Environmental risk & due diligence consultancy 34

2.13 Environmental management & compliance consultancy 38

2.14 Environmental noise & vibration consultancy 41

2.15 Sustainability strategy & ESG consultancy 44

2.16 Waste management/circular economy consultancy 48

2.17 Water quality & resource management consultancy 52

2.18 Service area forecasts 2018-2022 56

2.6 Market breakdown, historic growth and key metrics by service area

Fig 1 Market revenue breakdown by service area 2016-2018



The four largest service areas together account for over half of the UK EC revenue. They are: impact assessment, water quality & resource management, assessment/remediation and ecological/wildlife services (Figures 1 & 2). These have been traditional staples of the industry for at least six years but more recently the ranks more recently (see section 2.4).

These primary service areas for the EC sector have been of environmental consultancy linked to strong government and commercial development sector recovery post-recession.

Since the recession, the single largest service area has moved from large national infrastructure projects and the EC sector has seen a decline in contracts in support of major infrastructure projects down year-to-year of late. Growth in 2017 may have been a pretty solid year with growth indicators for the UK provides Environment Analyst only a forecast of a CAGR of 2-3% going forward factors.

The EC industry's second largest service area has seen growth over the last few years. This is due to increased investment period (2015-2018) and the focus on spend through the four main environmental programs: reduce greenhouse gas emissions, improve energy efficiency, reduce water usage, improve air quality & resource management. The EC sector has seen a shift in the sector as a result of the sector's focus on these areas. The sector has seen a shift in focus from traditional environmental services to more sustainable services. The sector has seen a shift in focus from traditional environmental services to more sustainable services.

SAMPLE REPORT

Figures 7-9 shows the revenue growth of the 12 service areas since 2007, showing the effects of the post 2008 downturn in some areas, and subsequent pattern of recovery or otherwise.

Fig 7 Historic revenue growth in top 4 service areas, 2007-2017

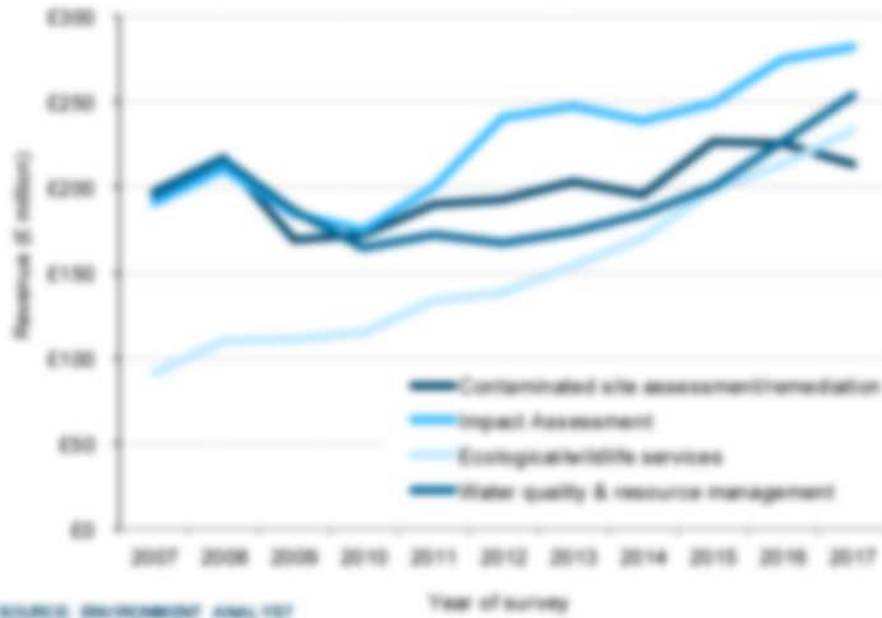
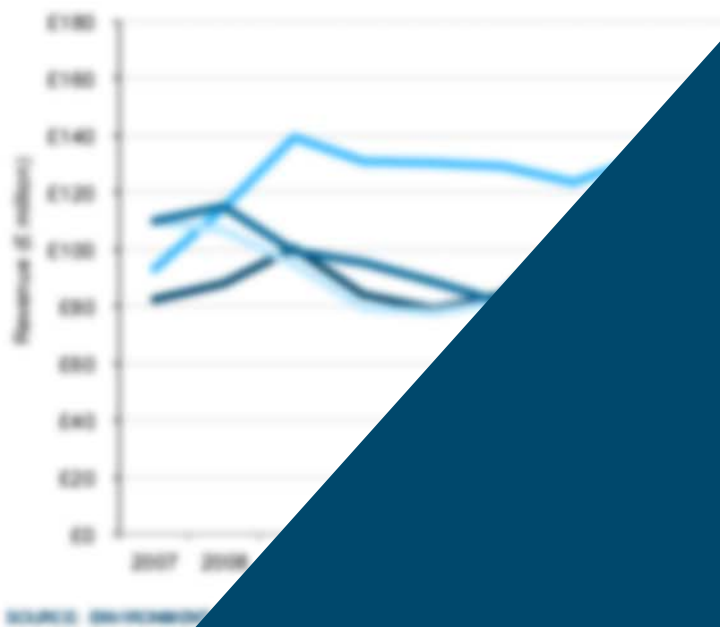


Fig 8 Historic revenue growth in mid 4 service areas, 2007-2017



2.7 Air quality consultancy

Assessment, modelling, monitoring and improvement of air quality, pollution and emissions

Main products and service functions:

Air dispersion modelling, air quality permitting, air quality impact assessment, air quality compliance and reporting, air quality device evaluations, ambient air monitoring, construction air and dust monitoring, dust & odour assessments, emissions inventories, emissions monitoring support, emissions reporting, emissions testing, health risk assessment, incident investigation, leak detection, meteorological monitoring, vapour intrusion mitigation

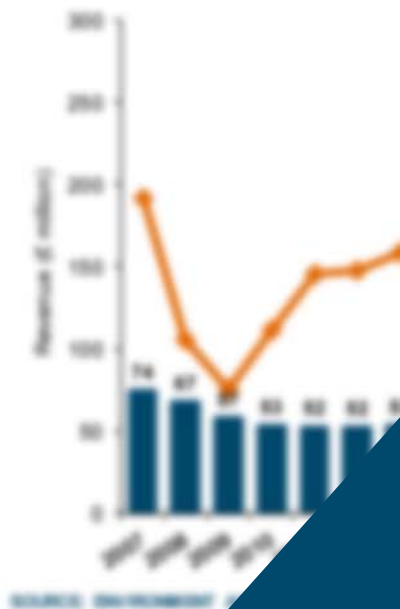
Client base:

Manufacturing & heavy industries, energy utilities/oil & gas, transport, local authorities, central government/agencies

Market characteristics and performance trends:

- Value (proportion of total market): 2017 actual £66.4m (3.8%), 2018e £69.9m (3.8%)
- Growth trend (5-yr CAGR 2012-17): low/average (3.1%)
- Market share of top ten firms: average (61.4%)
- Revenue per head: average (£102k)
- Turnover expectations (5-yr CAGR 2018-22): average (3.1%)

Fig 11 Historic revenue and growth rates in air quality consultancy, 2007-2022e



SAMPLE REPORT

2.9 Contaminated site assessment/remediation consultancy

Assessment of contaminated soil and groundwater, remediation strategy and project management of remedial measures

Main products and service functions:

Asbestos/lead/tracer analysis, brownfield site assessment, expert witness, forensics and litigation support, groundwater remediation and treatment systems design, hydrogeological evaluations and modeling, incident investigations, life cycle cost analysis, radioactive contamination, remediation, reclamation and regeneration strategies, design and monitoring, plus on-site management and validation, regulatory authority negotiations, risk assessment, sustainable remediation systems, monitoring and maintenance, waste characterization

Excludes: remediation contracting and geotechnical engineering

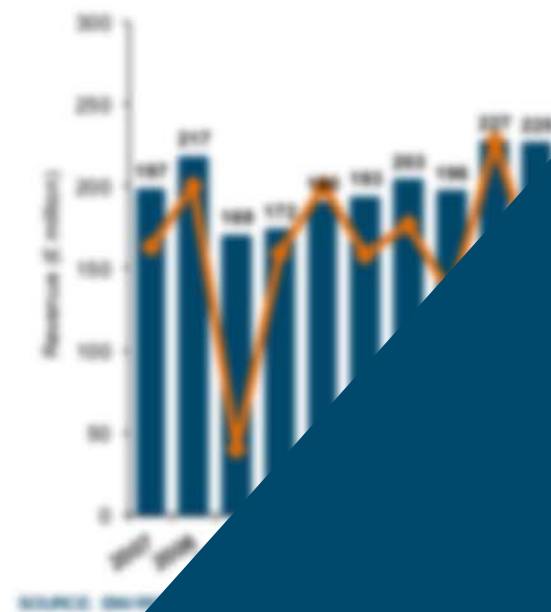
Client base:

Developers/construction firms, landowners (property portfolio managers, retail & logistics, financial & professional, local authorities, manufacturing & regulated industries (incl. mining, quarrying, oil, gas, nuclear & waste))

Market characteristics and performance trends:

- Value (proportion of total market): 2017 actual £214m (12.3%), 2018e £220m (11.8%)
- Growth trend (5-yr CAGR 2012-17): average (2.1%)
- Market share of top ten firms: low/average (54.8%)
- Revenues per head: very high (£177k)
- Turnover expectations (5-yr CAGR 2018-2022, EA forecast): low (1.7%)

Fig 15 Historic revenue and growth rates in contaminated site assessment



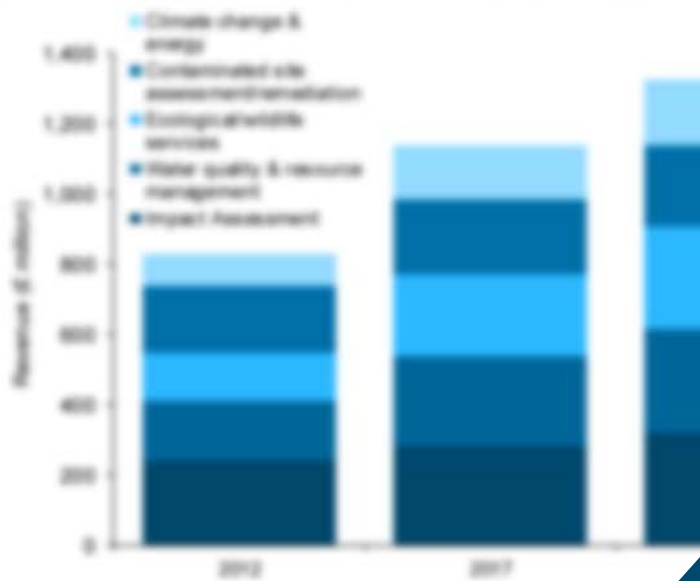
SAMPLE REPORT

While there is no doubt there is an increasing appetite for environmental social governance (ESG) and corporate social responsibility (CSR) services globally – particularly around the financing of projects and investments – it remains largely an area of discretionary spend. While ESG benchmarking and reporting has become mainstream in recent years, the actual creation of sustainable value – or the adoption of ESG-improving solutions – remains low. Because of that Environment Analyst forecast this service area will face headwinds, and be the lowest performing service area, with CAGR of 1.4% to 2022.

[For full analysis and detailed commentary on each of the service areas and their market drivers/constraints see Section 5.]

To help understand consultants' own perspectives for the service areas in which they work, Environment Analyst's **UK Environmental Consulting Market Trends Report** provides five-year compound annual growth rate (CAGR) prospects as well as a view of current prospects in 2019. This along with other reports in the series can be downloaded by subscribers [here](#).

Fig 25 Revenue growth trends in top 5 service areas, 2012-2022e



SOURCE: ENVIRONMENT ANALYST

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