

## IF Security & protection services are UP, is it safe to claim the economy is coming down?

Earlier “Take Notes” of this series examined the UK’s detailed data across a raft of service and retail sectors, doing so for signs of an onset of full-blown “recession”. This instalment will continue in the same vein.

To recap, “Take 2” considered whether the clearly evident downward performance of the UK’s “traditional” recruitment sector (SIC 78), should be interpreted as an uncannily accurate canary warning of recession? The piece challenged this interpretation by asking whether the sector’s ills were far more a sign it was suffering specific tech-disruption from “newbie” hiring platforms, the likes of LinkedIn and Adzuna? In an effort to help find an answer, issue 2 pointed to the otherwise robust performance of the UK’s “estate agents”, (SIC 68.3) another sector considered an “early warner” of recession and so too its architects, surveyors and civil engineers (71).

Going back to the launch issue of this series, the question considered in that piece was also designed to search for recession warnings. It asked whether the fall in grocery volumes being seen in the UK’s ONS retail numbers (categorised as 52.11’s and 52.2’s) could be put down (sic) to acute household budget pains, or something less worrying for the UK macro-economy? The piece suggested whether the persistence of the decline in grocery basket volumes had less to do with our eating less, as eating as much IF NOT MORE, but VERY differently. The argument made was that it wasn’t our stretched budgets that was so revealing in the data, but the rapid growth in the delivery of prepared foods to our homes and work. Frustratingly, the latter is a development in consumer behaviour for which there is little if any accurate ONS data to go on. The challenge posed in Take 1 was whether the convenient and competitively priced delivery of prepared meals, had been the disruptive element behind lower grocery volumes; these down in-store, and so too volumes delivered.

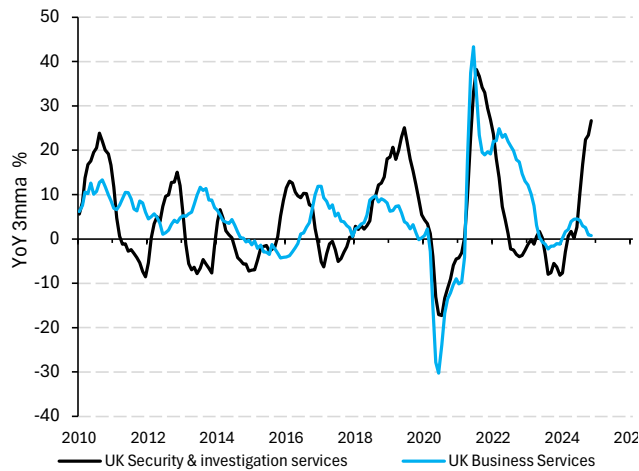
**The conclusion from earlier pieces was that the sectoral evidence of early onset recession at the close of 2024, was at best INCONCLUSIVE.**

In this sixth Take of the UK Screen-Test series, we consider what many will consider a categorical “sure-fire” counter-cycle sector; the provision of **security and protection services** (SIC 80)? [in which **Croma, Westminster et al**, operate]. Well, **those convinced it is a true canary in the cage, will look at the sector’s data and see signs of alarm (sic).**

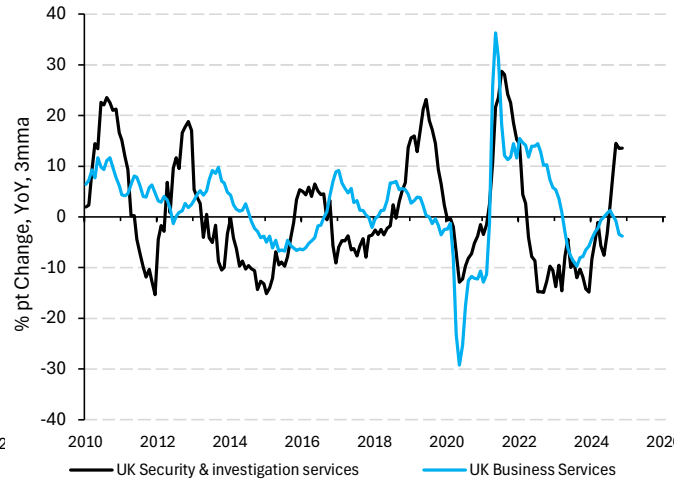
Returning to earlier Take Notes, issue 4, considered the performance of another of the UK’s service sectors many consider as “doing especially well” in downturns - **legal service sector** (69.1). Take 4 did indeed reveal that UK legal services ended last year “well”, and as such playing into the hands of those looking for sectors sounding recessionary sirens.

## UK Security & investigation services (80)

**Chart 1. Operating Sales, £**



**Chart 2. Operating Margin**



Annual Growth Averages (%) and Inverse Coefficient of variance\* in brackets

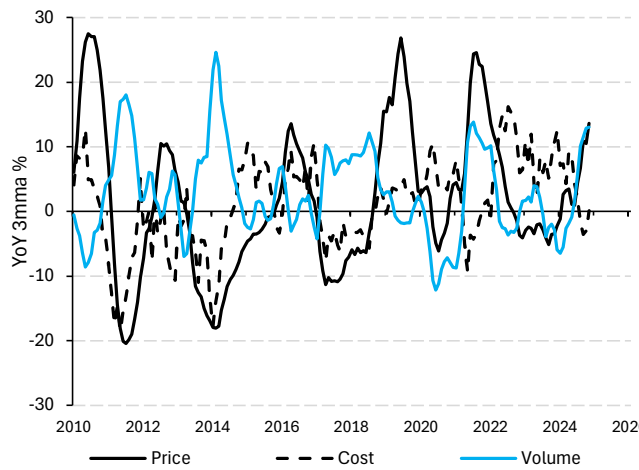
UK Security & investigation services 4.7 (0.4)

UK Business Services 5.2 (0.5)

UK Security & investigation services 0.7 (0.1)

UK Business Services 1.9 (0.2)

**Chart 3. Price, Cost & Volume**

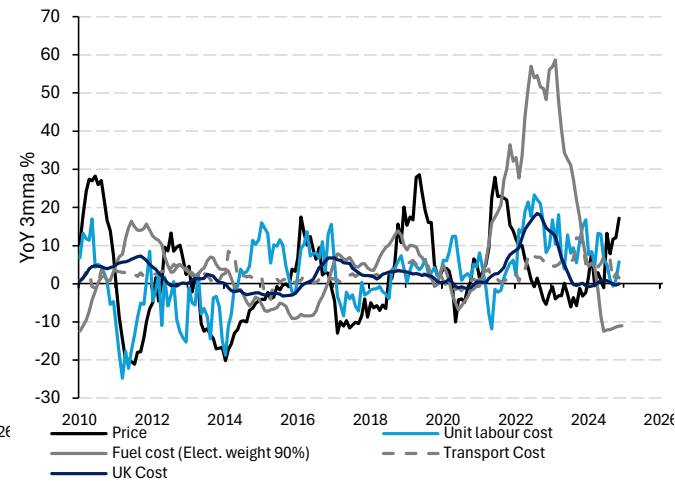


Price 1.8 (0.2)

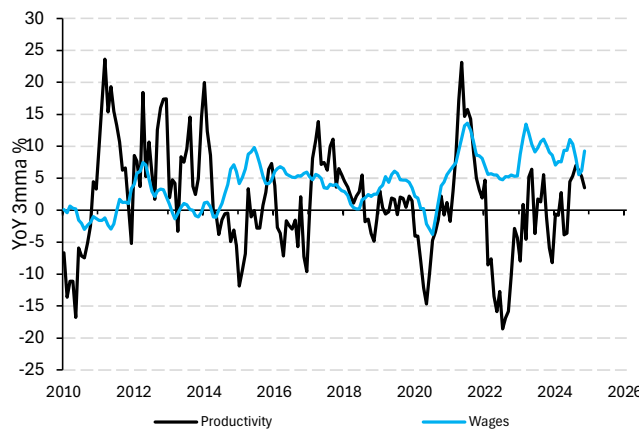
Cost 1.1 (0.2)

Volume 2.9 (0.4)

**Chart 4. Detailed price & cost dynamics**



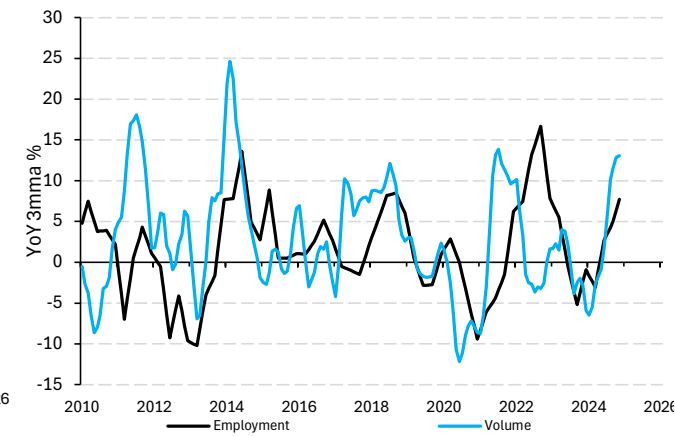
**Chart 5. Labour Productivity vs Wages**



Productivity 1.6 (0.2)

Wages 4.2 (1.1)

**Chart 6. Employment vs Volume**



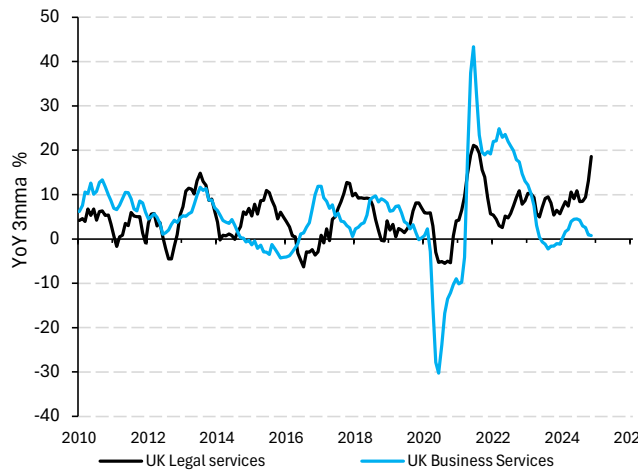
Employment 1.6 (0.3)

Volume 2.9 (0.4)

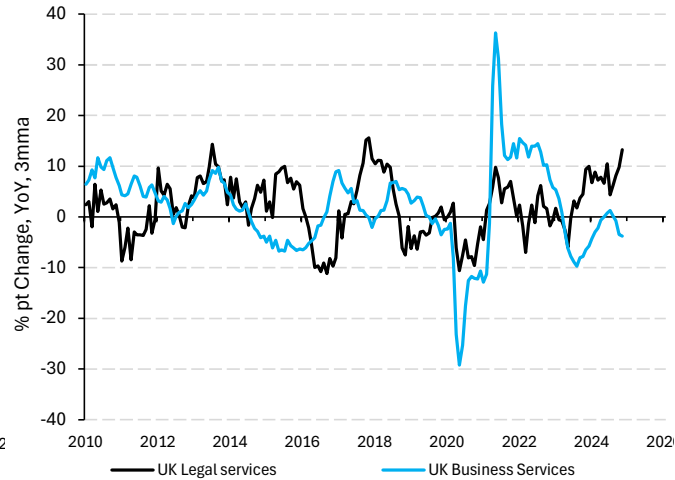
\* Inverse Coefficient of Variance = Mean / Standard Deviation

## UK Legal services (69.1)

**Chart 1. Operating Sales, £**



**Chart 2. Operating Margin**

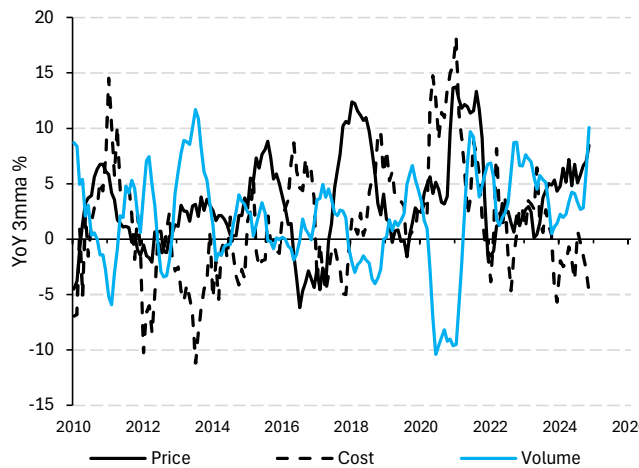


Annual Growth Averages (%) and Inverse Coefficient of variance\* in brackets

UK Legal services 5.3 (1.0)  
UK Business Services 5.2 (0.5)

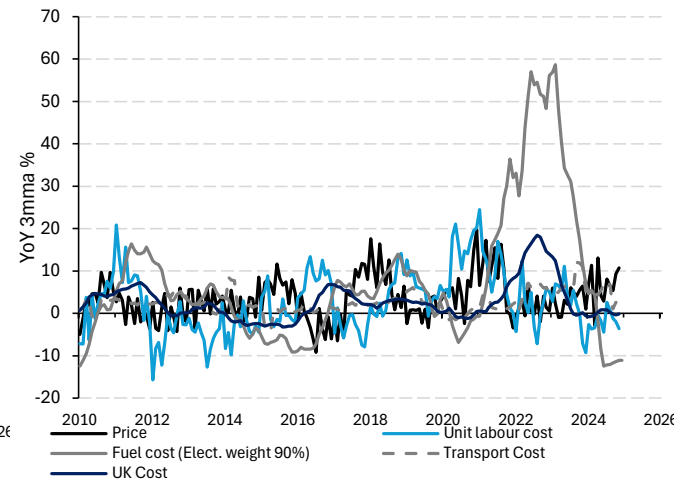
UK Legal services 2.0 (0.3)  
UK Business Services 1.9 (0.2)

**Chart 3. Price, Cost & Volume**

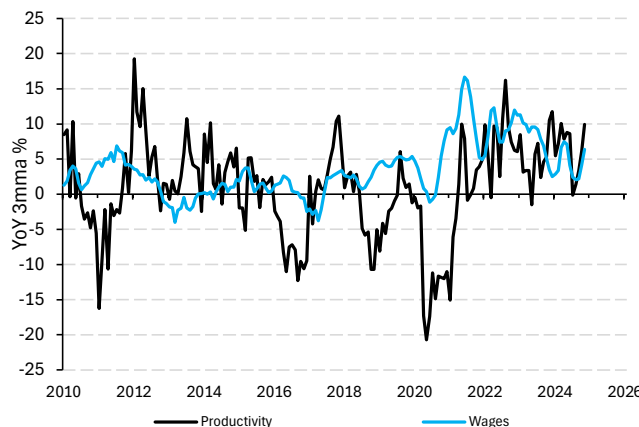


Price 3.4 (0.8)  
Cost 1.4 (0.3)  
Volume 1.9 (0.4)

**Chart 4. Detailed price & cost dynamics**

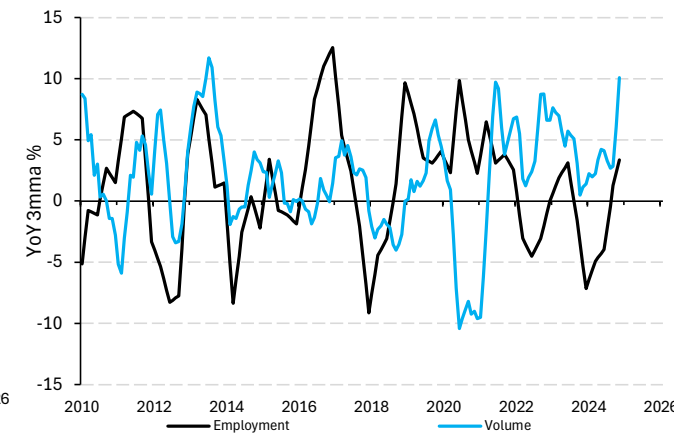


**Chart 5. Labour Productivity vs Wages**



Productivity 0.9 (0.1)  
Wages 3.6 (0.9)

**Chart 6. Employment vs Volume**

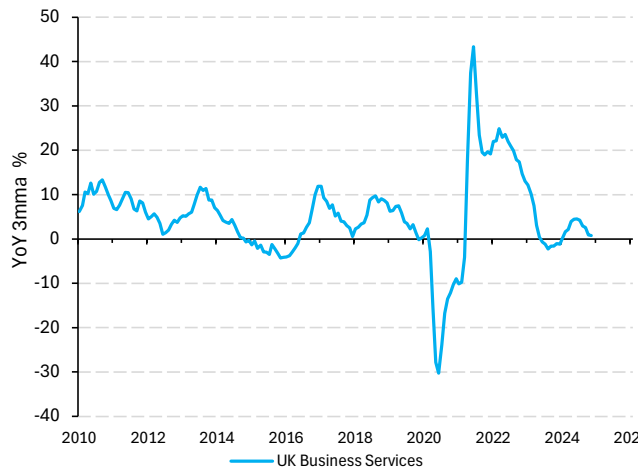


Employment 1.2 (0.3)  
Volume 1.9 (0.4)

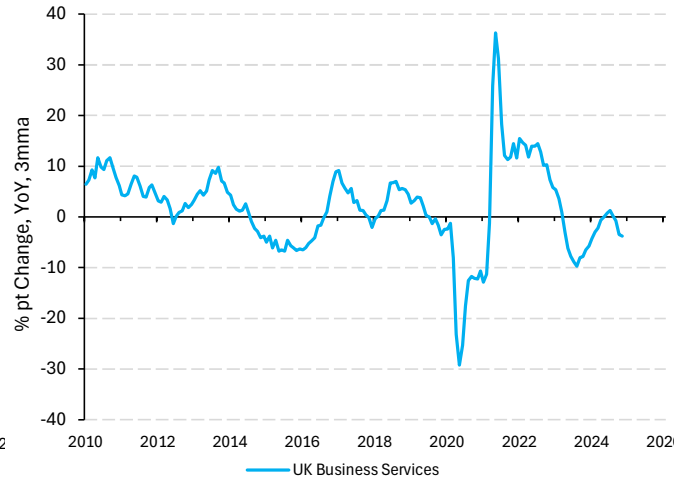
\* Inverse Coefficient of Variance = Mean / Standard Deviation

## UK Business Services (45-96)

**Chart 1. Operating Sales, £**



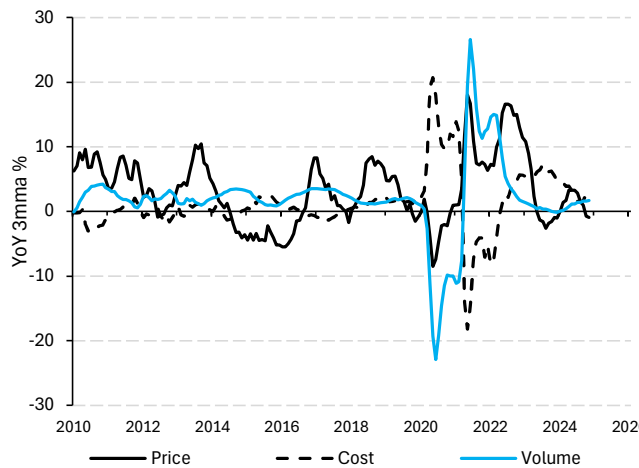
**Chart 2. Operating Margin**



Annual Growth Averages (%) and Inverse Coefficient of variance\* in brackets  
UK Business Services 5.2 (0.5)

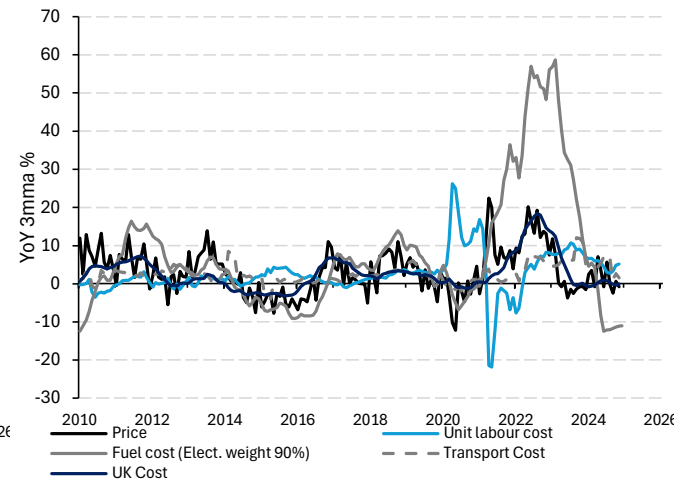
UK Business Services 1.9 (0.2)

**Chart 3. Price, Cost & Volume**

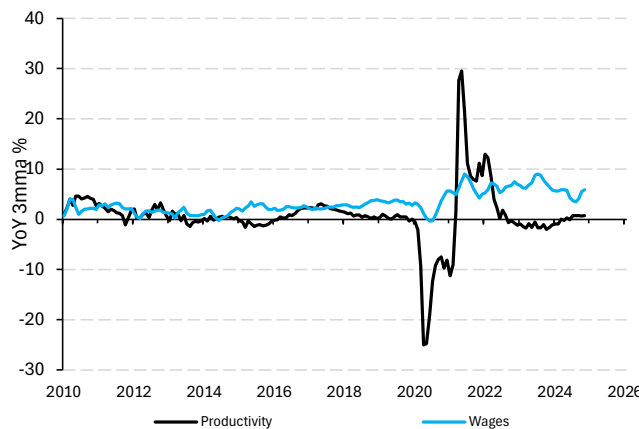


Price 3.2 (0.6)  
Cost 1.3 (0.3)  
Volume 1.9 (0.3)

**Chart 4. Detailed price & cost dynamics**

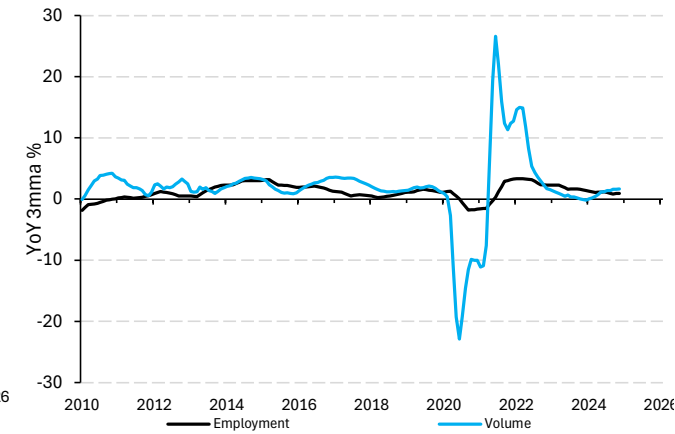


**Chart 5. Labour Productivity vs Wages**



Productivity 0.7 (0.1)  
Wages 3.3 (1.5)

**Chart 6. Employment vs Volume**



Employment 1.2 (1.0)  
Volume 1.9 (0.3)

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List of UK Business Service sectors	SIC	Companies
UK Wholesale & retail trade & repair, all vehicles	45	Bunzl, Essentra, Ferguson Enterprises, Latham, Macfarlane, NWF, Roebuck Food
UK Wholesale trade services, except vehicles	46	Bunzl, Essentra, Ferguson Enterprises, Latham, Macfarlane, NWF, Roebuck Food
UK Land transport, trains & buses - people & freight	49.3-5	FirstGroup, Trainline
UK Warehousing & support services for transportation	52	Diploma, Restore
UK Postal & courier services	53	Smiths News
UK Hotels and other short-term accommodation services	55	Accor, IHT, Whitbread (Premier Inn)
UK Food & beverage serving sectors	56	Compass
UK Publishing services - newspapers, periodicals & computer games	58	De la Rue, DMGT, AutoTrader, Bloomsbury
UK TV, film & sound production & presentation	59	CineWorld, ITV, STV
UK Telecoms services	61	Maintel, TalkTalk
UK Software developers	62	CPP, ComputerCenter, PCI-Pal, Petards, RWS, Software Circle, Tribal
UK Providers of data processing & hosting services	63	1Spatial, Experian, Journeo , Vianet
UK Real estate activities on a fee or contract basis	68.3	International Workplace , LSL Property Services, Mitie Group, Savills, Foxtons, Rightmove, Winkworths, MAB
UK Legal services	69.1	Gately, Keystone Law, DWF, Knights Group, the Ince Group, Begbies Traynor
UK Accountants, auditors & tax consultants	69.2	Begbies Traynor
UK Architects & civil engineers	71	Diales, Hargreaves Services, Intertek, Kier Group , Mears Group, Northern Bear, Renew Holdings, Ricardo
UK Scientific R&D	72	Science Group
UK Advertising & market research services	73	YouGov, WPP, M&C Saachi
UK Real estate, graphic & fashion design & photography	74	Christie Group, Record, Powerhouse Energy, DCC
UK Veterinary activities	75	Pets At Home, CVS Group
UK Rental & leasing services, non real estate	77	Johnson Service, SZigup
UK Recruitment services	78	Norman Broadbent, Page Group, Robert Walters, RTC, Staffline Group, Sthree, Hays
UK Travel agents & tour operators	79	Hostel-World, OnTheBeach Group
UK Security & investigation services	80	Croma, Synetics, Westminster
UK Office admin & business support - including call centres	82	Capita, IWG
UK Human health services	86	Spire Healthcare
UK Creative arts & entertainment services - theatres etc	90	
UK Library, archive, museum & other cultural services	91	
UK Sporting, amusement & other recreation services	93	GYM Group, Hollywood Bowl
UK Repair services of computers, personal & household goods	95	

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