



Department for
Business & Trade

Productivity, Sustainability and Skills: The case for industrialising construction

2 July 2025

The UK construction sector accounts for 8.3% of GDP and 8.1% employment, and operates across the UK

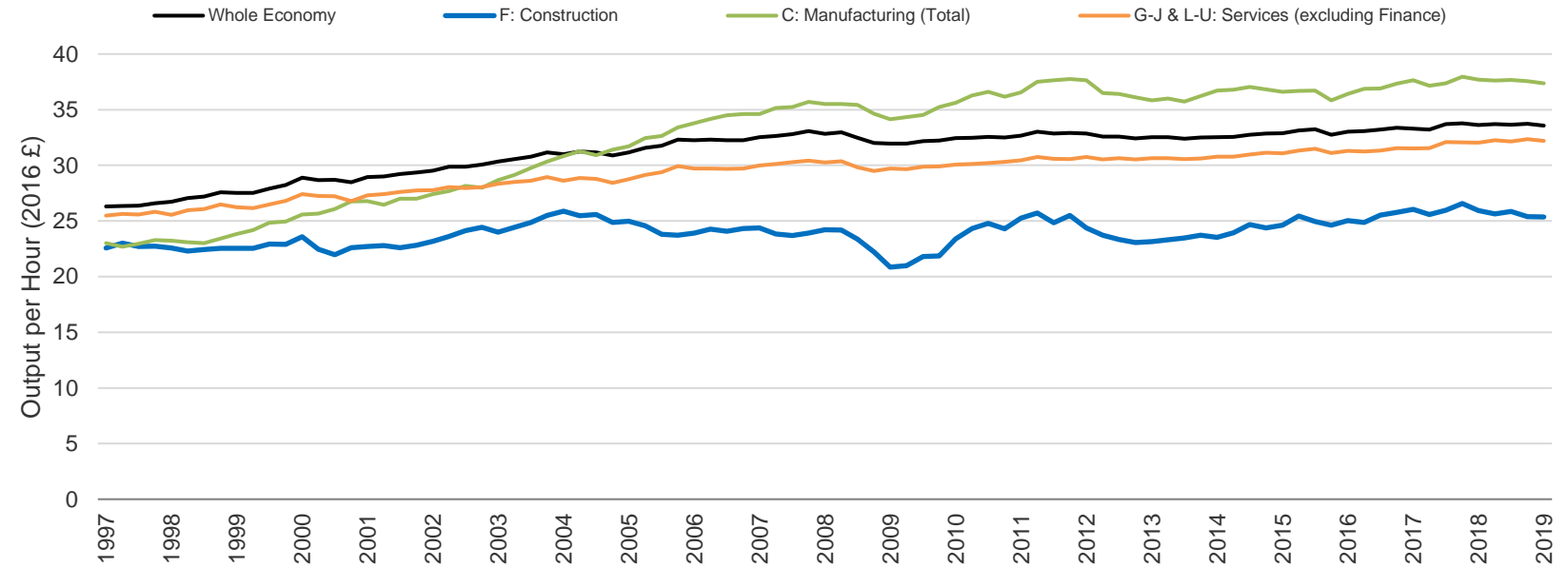


	Number of enterprises	Total turnover	Approximate gross value added at basic prices (aGVA)	Total employment - point in time [BRES]	Scaled shares of total GVA
2023 Final	Number	£ million	£ million	Thousand	%
Products	23,214	62,673	24,506	320	1.0
Contracting	379,882	366,413	143,919	1,580	6.1
Services	37,277	83,727	26,252	350	1.1
Total	440,373	512,813	194,677	2,260	8.3
		Contracting self-employment		706	
		All workforce		2,966	

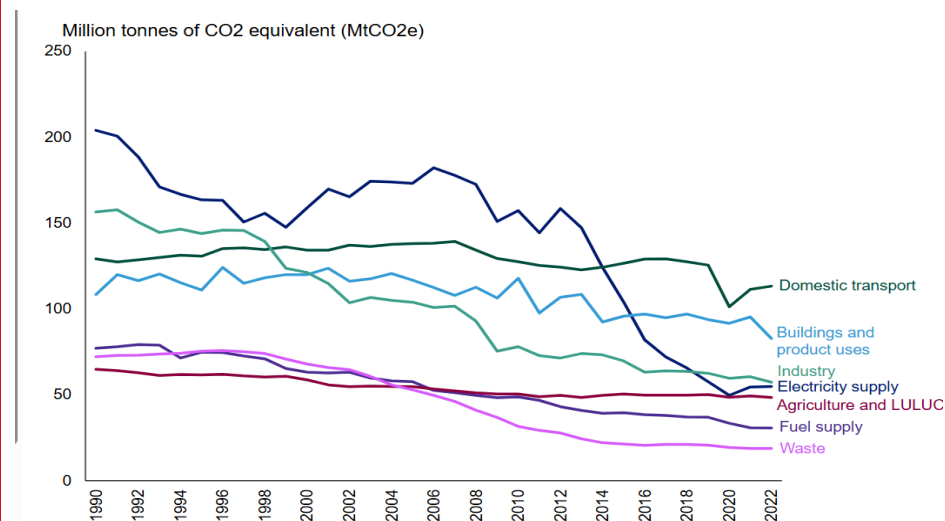
The threefold challenge for the UK construction sector:

1. productivity;
2. sustainability; and
3. demographics.

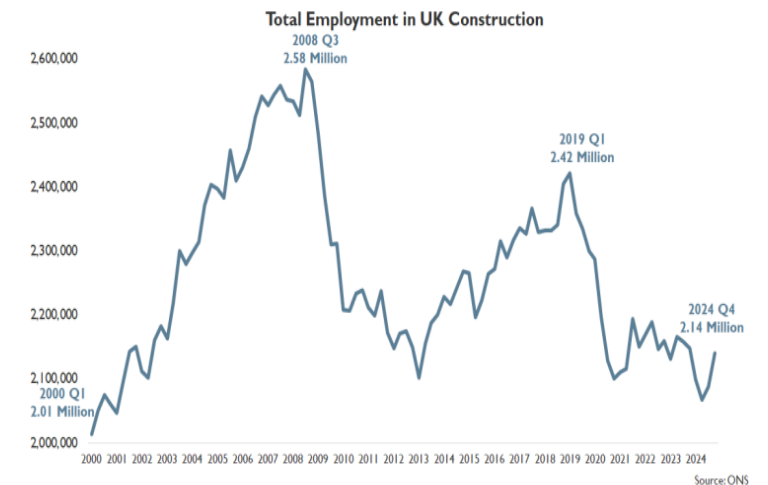
Productivity by aggregated sectors (ONS 2019)



Domestic Greenhouse Gas Emissions

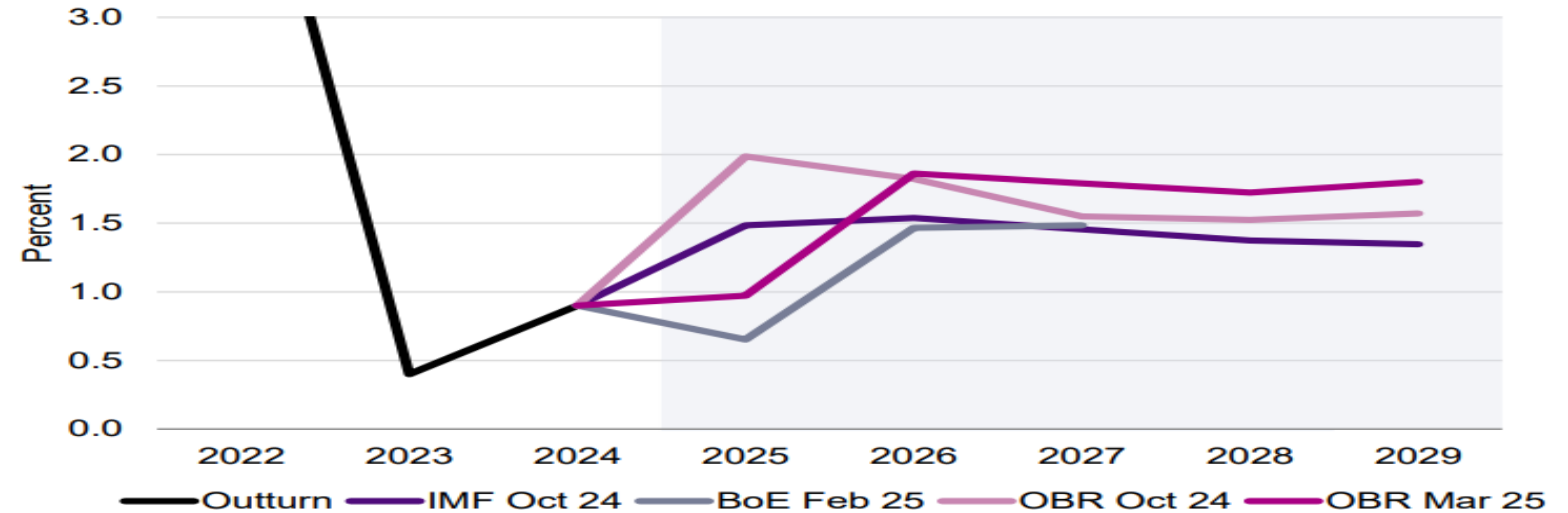


Construction Employment



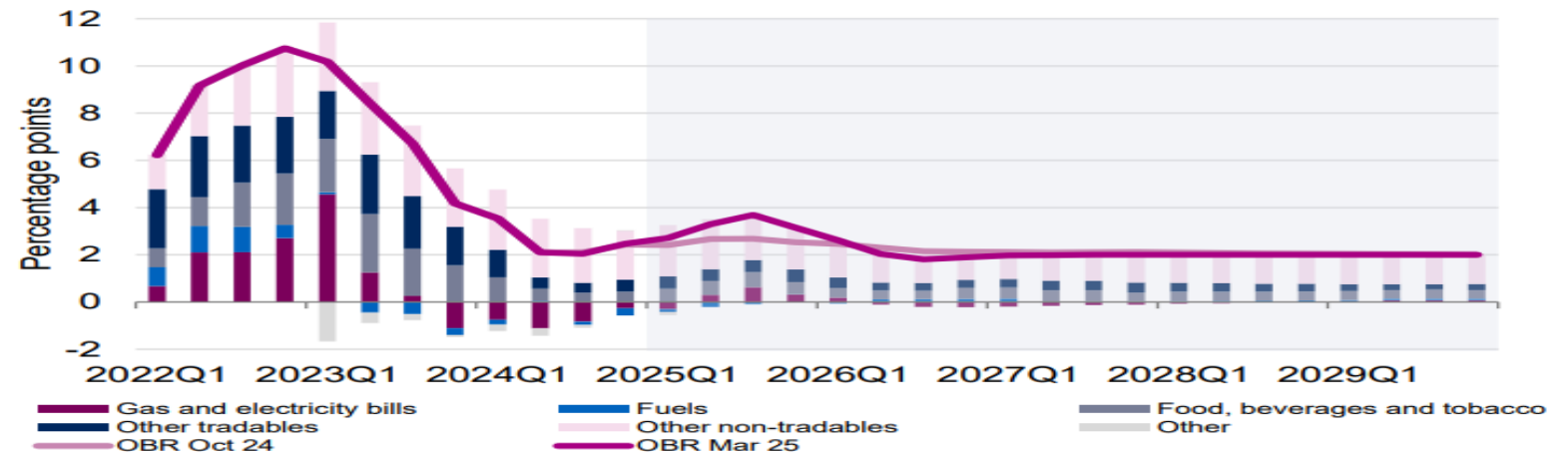
UK GDP growth is projected to be low, and inflation to remain above the 2.5% target rate until 2027. Both put pressure on public finances.

Forecasts for UK GDP Growth



Source: Office for National Statistics, Office for Budget Responsibility, Bank of England, International Monetary Fund

UK Inflation: Breakdown and Future Forecast



Source: Office for Budget Responsibility

The Government has set an ambitious set of policies for construction – across infrastructure and homebuilding, which will create a sustainable pipeline of projects

- **10 Year Strategy for Infrastructure** – setting out economic and social infrastructure priorities, links with housing development, and projects for private sector funding.
- **Creation of NISTA** to oversee the planning and delivery of infrastructure projects.
- A revised, digitised and dynamic £725m **National Infrastructure and Construction Pipeline**, providing more granular information about projects by sector, location, and funding.
- **Planning and Infrastructure Bill** currently in Parliament to accelerate planning and consenting process, unlock land and encourage cross-boundary strategic planning.



Delivering these ambitions will require a significant expansion of both capacity and capability within the construction sector

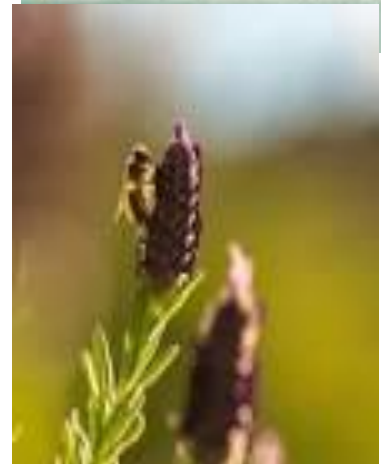
- **1.5m new homes** delivered over the Parliament, with **£39bn invested in social and affordable housing**, supported by a revised National Planning Policy Framework.
- **£15.6bn** for regional transport upgrades in 9 city regions (metro, rail and buses).
- **£104bn of water** sector investment between 2025-30. **£8.3bn for Great British Energy**, plus private sector investment to deliver onshore wind and solar, and upgrade networks.
- Commitment to **airport expansion** – Gatwick, Luton, Stanstead Bristol and potentially a third runway at Heathrow.
- **£4.7bn** school building and repairs.



Reducing carbon emissions and enhancing biodiversity will remain embedded in policy

Government Policy

- Requiring **Whole Life Carbon Assessments**, carbon monitoring and reporting.
- **Adoption of standards** to support procurement – PAS 2080, Passivhaus.
- **Circular Economy Task Force**, and an emphasis on adaptation and resilience.
- Working with industry to **reduce carbon in construction**, through the Low Carbon Concrete Routemap.
- Requirement to deliver **Biodiversity Net Gain** (Environment Act 2021) will support a focus on nature-based solutions and sustainable materials.
- Minimum 10% BNG required – **onsite, offsite, statutory credits**, with habitats guaranteed for 30 years. **Nature Restoration Fund** to enable developers to meet this commitment.



**Construction
faces 3 linked
challenges –
meeting the
Government’s
objectives by
2030 requires
progress in all
of them**





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