

UK New Industrial Strategy & Construction/the Built Environment – Forgotten? Or Integrated?

[The UK's Modern Industrial Strategy](#) launched 23rd June 2025 along with Sector Plans [The UK's Modern Industrial Strategy 2025 - GOV.UK](#). This document presents a quick insight view on built environment sector relevance.

- UK New Industrial Strategy content relevant to BE
- Industrial Strategy Sector Plans relevant to BE
- BE Sector Feedback on industrial strategy

UK New Industrial Strategy content relevant to BE

Exec Summary – Tone - We need a new relationship between business and government, where government provides the strategic certainty that allows businesses to do what they do best: create wealth.

The document sets out the support that will be provided to the eight high growth sectors (IS-8). *CEWales Note:* Construction is not directly acknowledged as one of the 8, however there is a section on place, and the entire strategy is referred to as 'place-based' which emphasises the relevance of the built environment. [Invest 2035: the UK's modern industrial strategy](#).

Growth driving major initiatives span: Advanced Manufacturing, Creative Industries, Life Sciences, Clean Energy, Defence, Digital and Technologies, Professional and Business Services, Foundational Industries - all deeply relevant to the built environment/construction sector. *CEWales Note:* For example, architectural and engineering activities are noted in creative industries (one of the 8), Digital and Technologies (one of the 8) and professional and business services sectors (one of the 8). Each of the identified 8 growth driving sectors remain integrated within the built environment and construction sector. [Industrial Strategy Sector Definitions List - GOV.UK](#), See section below.

Further, 'Construction' is mentioned 16 times in the launched UK Industrial Strategy. Some of them are referenced below:

The Interventions – p.44:

Modernising the construction sector, by embedding modern methods of construction (MMC) in government infrastructure projects, investing £625 million to train up to 60,000 more skilled workers, launching a new Infrastructure Pipeline digital dashboard in July 2025 and reforming the planning system. P 44.

Securing the domestic supply of steel by shielding our producers from distortive trade practices, better utilising our domestic supply of scrap metal, and identifying opportunities to stimulate domestic demand.

Nuclear Nation – p.46

We are investing £14.2 billion to build Sizewell C, which will be a jobs and growth engine, supporting 10,000 jobs at peak construction and working with 3,500 suppliers in all parts of the UK.

Enhance Skills and accelerate access to talent – p.64

In particular, the system is not working for the IS-8. There are significant skills shortages across our frontier and foundational industries, and only 9% of Secondary vocational learners are studying in the

in-demand sectors of engineering, manufacturing, and construction, compared to the OECD average of 32%.⁴³

Intervention – pg 68

Provide specific support for skills critical to the IS-8. We will bring forward three further packages targeted at skills needed in multiple IS sectors. This will build on our construction package and further demonstrate our commitment to prioritising and supporting the IS-8 within the skills system.

These three packages will build on our construction skills package which, as previously announced, includes over £600 million of investment over the next 4 years to train up to 60,000 more skilled construction workers. This will include establishing 10 construction Technical Excellence Colleges, expanding construction course provision, extending construction Skills Bootcamps and providing industry placements to help learners get ‘site-ready’ p.69

Investment Commitments - pg 151

£170 million investment from Knauf Insulation in a state-of-the-art manufacturing facility in Shotton, North Wales, creating around 140 jobs [May 2025]. • Universal’s multi-billion pound investment in a major new theme park and resort in Bedford, bringing nearly 20,000 jobs during the construction period and a further 8,000 jobs across hospitality and the Creative Industries when it opens in 2031 [April 2025]

Reforming public procurement p.152

Industrial Strategy Sector Plans relevant to BE

The built environment and construction industry is integrated within the 8 growth driving sectors, some references noted below.

Clean Energy Industries Plan – [Industrial Strategy: Clean Energy Industries Sector Plan](#) - Construction mentioned 19 times, e.g. In addition to the c1,300 high quality direct jobs at the blade factory,²⁴ there are also indirect jobs associated with offshore wind farm construction.

Many of the skills needed to deliver the Clean Energy Superpower Mission and associated manufacturing and wider growth opportunities are in high demand across other sectors, including engineering and skilled construction. The Government is investing £625 million in skills to train thousands of new construction workers, including sustainable skills to support the skilled workforce we need to support our Clean Energy Industries.

Nuclear is already supporting many well-paid jobs, often in the most deprived parts of the country. Industry estimate that the civil and defence nuclear fission sector could support up to 120,000 direct and indirect jobs across Great Britain by 2030, up from 96,000 in 2024.²³ EDF estimates that the current Hinkley Point C project spends 64% of construction value with British businesses, with £5.3 billion having been spent with local businesses so far.²⁴ The Sizewell C Company’s plans have a target of 70% of construction value going to UK companies.²⁵

The hydrogen industry will create investment and jobs across the UK’s industrial heartlands, with projects from the first Hydrogen Allocation Round set to commit over £400 million of private capital investment between 2024-26 and create over 700 direct jobs in construction and operation.⁴²

Case study: Low-carbon cement Padeswood is an operational cement plant owned by Heidelberg Materials, located in North Wales and forming part of the HyNet cluster. Padeswood is one of 10 cement production plants across the UK that together meet 70% of the UK’s cement demand.⁵⁴ Due to high process emissions (~60% of total emissions),⁵⁵ the cement industry cannot fully decarbonise

without CCUS. This is critical to our economy because, as a sector, we estimate that cement contributes around £340 million in Gross Value Added (GVA)⁵⁶ per year to the UK and directly provides 1,500 jobs.⁵⁷ The Padeswood plant has been operating since 1949, and, subject to a final investment decision, Heidelberg anticipate that the Padeswood CCS project will create around 50 new full-time jobs at Padeswood and up to 500 additional jobs during construction of the capture plant.⁵

Advanced Manufacturing - [Advanced Manufacturing Sector Plan](#) - Construction services are central to providing necessary infrastructure for Advanced Manufacturing, with the sector adopting automated processes to enhance the UK's manufacturing base.

Additionally, the Government is investing £625 million in construction skills to train thousands of new workers to deliver infrastructure in support of Advanced Manufacturing. At the same time, we continue to support UK rail and maritime sectors, critical enablers of manufacturing, including through a further £30 million towards the development of clean maritime solutions through the UK Shipping Office for Reducing Emissions (UK SHORE) from 2025 to 2026, which will support the Government's Maritime Decarbonisation Strategy.¹

Reinforcing national resilience, the Government has announced the suspension of the UK Global Tariff on 89 products until July 2027² including for specific products in the horticulture and agriculture, automotives, batteries, and construction sectors.

The UK also produces off-road machinery, including lifting equipment, agricultural, construction and mining equipment, which generated around £4 billion GVA⁷ and directly supported 43,000 jobs in 2023.⁸

Build resilience, reducing supply-side barriers, through competitive electricity prices for the most electricity-intensive Industrial Strategy manufacturing growth sectors and their supply chains, Steel and Critical Minerals Strategies and targeted support for the chemicals, construction and composites sectors. This will fortify the sector's foundational industries enabling us to proactively diversify and have a greater share of highest-value supply chains.

Creative Industries - [Industrial Strategy: Creative Industries Sector Plan](#) - Design and architecture play a vital role in developing more environmentally sustainable products and services and making the built natural environment less impactful on the environment, while the sector's storytelling skills can influence the decisions of consumers. Architecture mentioned 7 times

We will go further by introducing short courses in England, funded through the Growth and Skills Levy, in areas such as digital, artificial intelligence and engineering. These will support Industrial Strategy sectors such as in Creative Industries and Advanced Manufacturing from April 2026.

Digital and Technologies Sector Plan - [Industrial Strategy: Digital and Technologies Sector Plan](#) - The construction sector is vital for developing new facilities such as data centres and research labs, with steel being fundamental across the sector. The upcoming 2025 Critical Minerals Strategy aims to secure a steady supply of minerals, optimising domestic resources and enhancing international collaboration. The Government is also bringing forward the Steel Strategy with up to £2.5 billion in funding⁶ and reforming the planning system, updating our infrastructure plan, and investing £625 million in construction skills to train new workers and support sector growth.⁷

Professional and Business Services - [Industrial Strategy: Professional and Business Services Sector Plan](#) - To support the UK's net zero objectives and ambition to lead in the green economy and create more UK jobs in these areas, we will target PBS for sustainability focused foreign firms operating in areas such as ESG reporting and rating agencies, sustainability and ESG advisory firms (including consulting and legal) and sustainability focused architecture and engineering firms.

High growth areas acknowledge architecture and engineering.

BE Sector Feedback on industrial strategy

[Industrial Strategy: Infrastructure to benefit but some lament construction's absence | New Civil Engineer:](#)

[Building Cost Information Service \(BCIS\) chief economist David Crosthwaite](#) said: "After the highs of the Infrastructure Strategy comes the complete omission of the construction sector in the Industrial Strategy. The sector's contribution to growth across the wider economy is inextricable, yet it remains excluded from the government's sector hit list.

"Without construction, there are no gigafactories to make batteries for electric vehicles, no laboratories to develop pioneering medical technologies, no carbon capture infrastructure to drive the net zero agenda.

"Construction's omission from the strategy is like saying you don't need water to grow crops. It's a complete oversight."

[Civil Engineering Contractors Association \(CECA\) spokesperson Lorraine Gregory](#) celebrated infrastructure's allocation as a key stimulant for the industrial sector. "We particularly welcome the commitment to create a more efficient and responsive planning system, as well as the Government's emphasis on skills development and innovation - both of which are essential to meeting future construction demand.

[Royal Institution of Chartered Surveyors \(RICS\) chief executive Justin Young](#) said: "It is encouraging that the UK government chose Foundational Industries, which is to say, those that produce materials such as steel, concrete and infrastructure parts for one of the eight key sectors (IS-8) in its industrial strategy.

"Challenges to supply chains, including material shortages and rising costs severely disrupt construction projects. It is also a positive step that the strategy places a focus on improving support for small and medium-sized enterprises (SMEs), which, according to RICS research, account for nearly a fifth of the UK's construction industry and play a critical role in material production.

"Another positive focus for the built environment is Clean Energy Manufacturing being one of the IS-8, which will be fundamentally important given the Government's recent commitment to solar panels for newly built homes as well as increasing demand for heat pumps.

"Similarly, IS-8 also focuses on improving the synergy between private investment and the needs of industry, which should hopefully increase investment in key projects."

[AtkinsRéalis industrial market lead – UK & Ireland John Rawlinson](#) said: "Today's Industrial Strategy is a welcome long-term plan with the potential to strengthen the UK's industrial sectors and accelerate the research, development and roll-out of new technologies across the UK.

"This Industrial Strategy sets out a long term vision with innovation, partnership and people at the centre, creating a platform for accelerated growth across the sector, as well as a vital interface with connected strategies like defence and the wider economy as a whole.

[Industry reacts as construction 'noticeably absent' from government's industrial strategy paper | News | Building](#)

Patricia Moore, UK managing director of Turner & Townsend, said construction was "noticeably absent" from the release, despite being the "engine which will deliver and sustain the physical investment that these industries need to thrive".

The chief executive of the Federation of Master Builders, Brian Berry, added: "It is deeply concerning that the chancellor and business secretary have published an Industrial Strategy for the new

government, but has not felt it necessary to include reference to the construction sector as an industry for growth, during a period where the UK is experiencing both a housing and skills crisis that are holding back and economic resurgence and threaten long-term market confidence.

“Given the focus on rebuilding Britain, it appears those that will be doing the physical work have been forgotten. The consultation is an opportunity to ensure that construction doesn’t end up as a sideshow sub-sector in the plan. Construction needs to be front and centre in the government’s drive for economic growth.”

RIBA president Muiywa Oki said: “The creative industries are a powerhouse for growth, and we are pleased to see this recognised.

[Construction industry reacts to new industrial strategy](#)

“As announced in the industrial strategy, the government’s focus on eight key growth sectors will undoubtedly provide stability and confidence to give investors a ten-year plan to choose Britain, showcasing how the UK can compete to win on a global stage. However, it is concerning that construction, a fundamental pillar of our economy and an essential driver of infrastructure development is missing from this list.

“Construction is the backbone that supports and enables growth across all sectors, from housing to the infrastructure these key industries rely upon. Without recognising the central role of construction, there is a real danger that the government’s strategy will fail to deliver on its full potential. The omission undermines not only the sector’s contribution to GDP but also its capacity to generate jobs, innovation, and the future-proofed infrastructure required for a thriving economy. We cannot afford to overlook the very industry that builds the foundation of Britain’s future”.

[Government unapologetic on sector-focused growth plan | Construction News](#)