

# State of the construction industry 2025



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# 1 Introduction

Faced with a mixture of challenges and opportunities – from workforce shortages and net zero initiatives to exciting emerging technologies and geopolitical pressures – the UK construction and infrastructure sector stands at a defining moment.

This comprehensive report dives into six interconnected themes shaping the landscape: Output and Activity, Cash Flow and Funding, Skills and Recruitment, Technology Adoption, Net Zero and Sustainability, and Diversity and Collaboration.

While growth is returning to many sectors and major infrastructure programmes are gathering pace, critical shortages in skills, ageing workforces, and political unpredictability are threatening progress. Meanwhile, new government policies, green finance models, and technological breakthroughs such as AI and 3D printing offer hope for transformation – if adopted strategically.

Through expert commentary, case studies, and analysis, this report connects the latest data, news, and articles across major trends impacting contractors, consultants, suppliers, and clients alike and offers timely insights to inform decision-making and foster long-term resilience.





## 2 Output and activity

### The end of a cyclical downturn?

According to the latest S&P Global UK Construction PMI<sup>1</sup>, released this May, four consecutive monthly decreases in construction output are showing early signs of stabilisation after the steepest decline since the pandemic, led by the resilience of the residential sector and an uptick in civil engineering. Additionally, output growth projections are at their highest<sup>2</sup> since December 2024.

More generally, the Financial Times reacted to the latest country-wide figures<sup>3</sup>, with optimism and a word of warning, stating that 'the UK economy grew 0.7 per cent in the first quarter, the fastest pace in a year, in a boost to Labour ahead of the impact of US President Donald Trump's tariffs.'

<sup>1</sup> <https://www.pmi.spglobal.com/Public/Home/PressRelease/ebae5b2d9d3b488aba65e4bc55c7f731>

<sup>2</sup> <https://www.pmi.spglobal.com/Public/Home/PressRelease/ebae5b2d9d3b488aba65e4bc55c7f731>

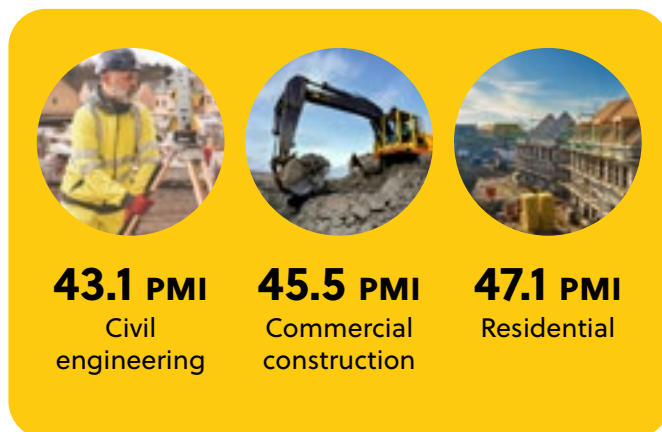
<sup>3</sup> <https://www.ft.com/content/7ad382d3-8333-4e35-8a83-fedc45bfeda6>



## The data in detail

PMI scales above fifty represent expansion and below fifty represent contraction compared to the prior month<sup>4</sup>.

As the graph shows, the PMI for overall construction activity increased from 46.4 in March to 46.6 in April. The PMI results split into construction sectors is as follows:



### S&P global UK construction

#### PMI total activity

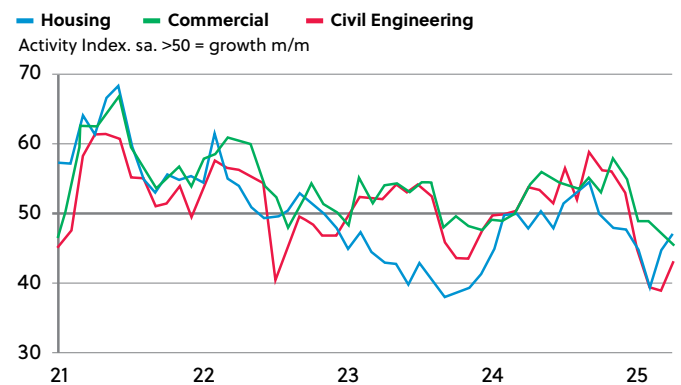
Index. sa. >60 = growth m/m



Data were collected 9-29 April 2025.  
Source: S&P Global PMI. ©2025 S&P Global

## Cautious optimism

'Encouragingly, the forward-looking indicators signal a moderate uplift in sentiment,' wrote PBC in their analysis<sup>5</sup>. '41% of firms now anticipate higher output over the next 12 months, compared to 18% expecting a decline. The improvement in business optimism<sup>6</sup> is the strongest since December 2024, with many firms expressing confidence in a recovery in residential workloads.'



Source: S&P Global PMI. ©2025 S&P Global

<sup>4</sup> <https://www.spglobal.com/market-intelligence/en/solutions/products/pmi>

<sup>5</sup> <https://www.pbctoday.co.uk/news/planning-construction-news/uk-construction-pmi-april-2025-resilience-in-residential-despite-continued-output-decline/150913/#:~:text=Encouragingly%2C%20the%20forward,in%20residential%20workloads.>

<sup>6</sup> <https://www.constructionproducts.org.uk/media/557714/cpa-letter-to-chancellor-for-spring-budget-2024.pdf>

## The burden of costs

Having overcome a difficult few years of inflation<sup>7</sup> and seeing a reduction in interest rates, the S&P data came with the following analysis:

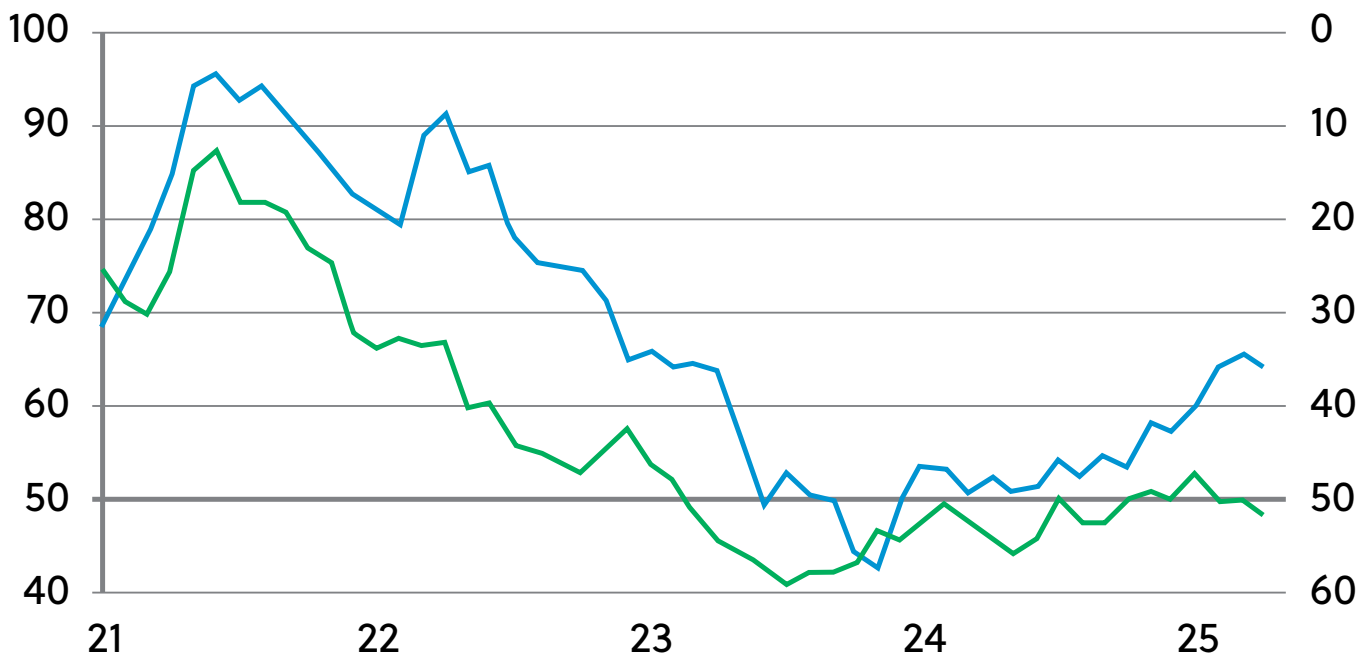
'Construction companies noted that a wide range of items had risen in price, particularly concrete products, insulation and timber, but some firms noted lower fuel costs. Many firms reported that suppliers had also sought to pass on rising payroll costs.

PBC commented<sup>8</sup>: 'The report flagged widespread attempts by suppliers to pass on rising payroll costs, even as firms report easing fuel prices and logistical improvements.

'Input price inflation moderated only slightly from March's 26-month peak, underscoring that structural inflation in the materials market remains a strategic challenge for contractors and developers.'

### Input Prices

Index, sa. >50 = inflation m/m



Source: S&P Global PMI. ©2025 S&P Global

<sup>7</sup> <https://www.bbc.co.uk/news/live/c33zve8zmg6t>

<sup>8</sup> <https://www.pbctoday.co.uk/news/planning-construction-news/uk-construction-pmi-april-2025-resilience-in-residential-despite-continued-output-decline/150913/#:~:text=The%20report%20flagged,contractors%20and%20developers.>

## Industry reaction and analysis on global trade and tariffs

**'We're beginning to see the fallout from the ongoing cross-border tariff war which will no doubt disrupt supply chains and impact prices further moving forwards. The outlook still remains unclear, and with developments emerging every day, SMEs will be monitoring the geopolitical landscape closely to see how the construction sector will be impacted.'**

**Lauren Pamma**

*Head of energy & infrastructure at Aldermore Bank*

PBC's analysis<sup>9</sup> included the following headline 'Commercial work falters as clients delay decisions':

'The commercial segment recorded its steepest drop since May 2020, reflective of widespread risk aversion and delays in client-side decision-making,' wrote PBC<sup>10</sup>. 'Many survey respondents cited a "wait-and-see" attitude among stakeholders, particularly in light of mixed economic signals and uncertain policy pathways.'

PBC described an industry in a 'tactical pause' rather than being in freefall. 'Senior decision-makers would be wise to interpret the current contraction as cyclical and project-specific, not indicative of a structural industry retreat.'

'As the residential sector shows early signs of recovery and procurement/supply lines improve, the focus now shifts to commercial sector recalibration and the management of inflationary risk in input costs.'

<sup>9</sup> <https://www.pbctoday.co.uk/news/planning-construction-news/uk-construction-pmi-april-2025-resilience-in-residential-despite-continued-output-decline/150913/>

<sup>10</sup> <https://www.pbctoday.co.uk/news/planning-construction-news/uk-construction-pmi-april-2025-resilience-in-residential-despite-continued-output-decline/150913/#:~:text=Many%20survey%20respondents%20cited%20a%20%E2%80%9Cwait%2Dand%2Dsee%E2%80%9D%20attitude%20among%20stakeholders%2C%20particularly%20in%20light%20of%20mixed%20economic%20signals%20and%20uncertain%20policy%20pathways.>



# 'Get Britain building again'

In February, The Financial Times summarised the current direction of travel<sup>11</sup> for the UK. 'Getting Britain building again is the right way to boost its economic growth. Labour has promised progress on two fronts; slashing bureaucracy in the planning system and developing a 10-year road map of public projects<sup>12</sup>. But it is yet to seriously grapple with the country's dearth of bricklayers, architects and engineers. Until it does, the government's building boom will remain on shaky foundations.'

<sup>11</sup> <https://www.ft.com/content/28858916-ff4f-4cce-b49d-b6ea109f1548>

<sup>12</sup> <https://www.newcivilengineer.com/latest/10-year-infrastructure-strategy-principles-objectives-approach-detailed-ahead-of-june-launch-27-01-2025/>



## 3 Cash flow and funding

### 'Fewer failures'

On 8 May, Construction News updated figures<sup>13</sup> on construction firm failures. February and March saw 32 and 31 firms close down, while the latest figures in April announced a reduction by 32% to 21 firms.

The figure from April 2024 showed only 13 failures.

Construction News looked at one case study in particular, Essex-based Breyer Group, 'the highest-turnover firm to enter into administration last month'.

Breyer appointed administrators Glen Carter and Damian Webb of RSM UK restructuring advisory on 1 April.

In a statement, RSM said: 'The company recently experienced a number of financial difficulties and cash-flow constraints as a result of certain contracts.'

'This resulted in significant pressure from creditors and ultimately the appointment of administrators.'

'The administrators are exploring all options, including a potential sale of certain parts of the business.'



<sup>13</sup> <https://www.constructionnews.co.uk/financial/monthly-construction-administrations/not-the-cruellest-month-april-data-shows-fewer-business-collapses-08-05-2025/>

## Breyer Group and Kingston Council

In July last year, Breyer Group were awarded with a £163 million contract for repairs and capital works contract, which would have amounted to 6,000 new homes in south London.

Inside Housing shared<sup>14</sup> a statement from Kingston Council, who said that the authority was 'disappointed at the situation and had no prior warning.

'A robust and formal procurement process was followed to appoint Breyer...[moving on] we are in discussions with advisors and other stakeholders to consider alternative commercial options in the best interest of our residents, leaseholders and other stakeholders.'

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## ProjectPay's 'solving construction cashflow'

In January 25, ProjectPay were commissioned<sup>15</sup> by the government's innovation division, Innovate UK, to 'provide small businesses and contractors with easy access to affordable working capital, addressing a critical gap in existing financial products'.

The company 'aims to address endemic issues within the industry by targeting cash flow shortages, a primary cause of delayed payments in the construction sector, and mitigating payment default risks for small businesses and debt providers.'

Methods for transforming construction sector payments:

- The company's solution, based on embedded payments, prevents big contractors using payments that belong to subcontractors as free working capital
- It removes payment default risks from the construction industry, making it more attractive to banks, lenders and investors.
- ProjectPay<sup>16</sup> is 'a fully digital solution that revolutionises payment security with end-to-end encryption, automated compliance checks and seamless integrations with major banks to prevent the endemic issues of payment delays and builder insolvencies which have plagued subcontractors for too long'.

Innovate UK<sup>17</sup> released a corresponding statement: 'The proposal [demonstrates]... a clear commitment to improving financial services for underserved SMEs in this sector. Additionally, the post-project plan and collaborations with major banks make it a strong candidate for further UK government funding consideration, providing significant value to taxpayers regarding its wide variety of benefits and socio-economic impacts.'

<sup>14</sup> <https://www.pbctoday.co.uk/news/planning-construction-news/2024-construction-predictions-where-industry-headed/135884/>

<sup>15</sup> <https://www.ukconstructionmedia.co.uk/news/public-funding-projectpay-payment-solution/>

<sup>16</sup> <https://www.ukconstructionmedia.co.uk/news/public-funding-projectpay-payment-solution/>

<sup>17</sup> <https://www.ukri.org/councils/innovate-uk/>

## An update on cashflow issues: 'A threat to the get Britain building' boom

In March, ProjectPay released a report<sup>18</sup> on cashflow in UK construction.

### Industry context:

- There's inequity in the supply chain with the largest construction firms preserving working capital in the wake of economic uncertainty..
- Small and medium businesses are struggling to get timely payments from larger contractors as a result, leaving companies burdened with debt and long waiting times when getting paid.
- Small and medium businesses, along with tier-one contractors are 'finding it challenging to deliver projects because so many firms are collapsing as a result of poor cashflow'.

### Three issues highlighted<sup>19</sup> by ProjectPay:

- The industry is burdened by outdated financial models and banking structures. A lot of small businesses are 'therefore unable to access low-cost or affordable working capital.'
- 'Project Bank Accounts, used by the government to provide some protections, are ineffective, costly and should be replaced.'

- 'In order to remove government's exposure to private sector losses, the report recommended that the government's ENABLE Build programme<sup>20</sup> is modified to address access to capital for SMEs.'

To further unpack that last point, back in November 2024, the government announced £3 billion in housebuilding schemes, promising multiple benefits:

- Over 20,000 new homes through vital support for SME housebuilders and the Build-to-Rent sector.
- That existing schemes will receive £3 billion more in government support to help deliver 1.5 million homes.
- This was in addition to a previously announced £5 billion investment in housing.

At the time, housing and planning minister, Matthew Pennycook said, 'SME housebuilders and Build to Rent operators have a crucial role to play in delivering the government's target of 1.5 million new homes in this parliament.

'The significant additional support provided by our housing guarantee schemes will enable them to access low-cost loans and support the building of thousands of new homes across the country.'

<sup>18</sup> <https://thepayers.com/payments-general/projectpay-releases-report-on-the-uks-construction-sector-cashflow-issues--1272791>

<sup>19</sup> <https://www.pbctoday.co.uk/news/hr-skills-news/why-payment-practices-in-construction-are-a-big-threat-to-the-get-britain-building-boom/150169/#:~:text=Its%20report%2C%20published,capital%20for%20SMEs.>

<sup>20</sup> <https://www.gov.uk/government/news/3-billion-housebuilding-schemes-to-unlock-homes-and-boost-growth>



## The reopening of the private rented sector guarantee scheme

Nearly £2 billion has been made available for build-to-rent developers through a relaunch of the Private Rented Sector Guarantee Scheme. This offers more accessible funding for a wide range of housing projects in areas where rentals are in high demand. The official guidance was changed in March to show the fresh availability of the scheme for projects with a minimum value of £10 million, among other criteria<sup>21</sup>.



<sup>21</sup> <https://www.gov.uk/government/publications/housing-guarantee-scheme-rules-private-rented-sector/private-rented-sector-housing-guarantee-scheme>



## 4 Skills and recruitment shortages

### A familiar story

'The crisis in construction skills has been brewing for decades,' wrote Manny Hussain<sup>22</sup> for RecruitEasy. 'Too many long-serving staff coming to retirement age, not enough youngsters are coming up behind them, and a society has pushed sixth formers away from skilled occupations into university instead. Then there was Brexit. Then there was Covid.'

According to the recruiter, almost half of UK builders are unable to obtain suitably qualified staff, especially in highly skilled occupations like bricklaying, plastering, carpentry, and plant operation.

**'...almost half of UK builders are unable to obtain suitably qualified staff, especially in highly skilled occupations like bricklaying, plastering, carpentry, and plant operation.'**



<sup>22</sup> <https://www.recruiteasy.co.uk/blog/government-injects-600m-to-tackle-construction-skills-shortage>

## The push for new apprentices

'Labour's dreams of economic growth depend on plugging chronic skills gaps in sectors from cyber security to construction,' the Financial Times said in their article Does the UK have enough workers to get Britain building?<sup>23</sup>.

- Apprenticeship starts have fallen by over a third over the past decade – from 520,600 in 2011 to 337,100 in 2022.
- The declines are most notable between 16 to 19 year olds.

► In response, the government has announced<sup>24</sup> a £600 million investment aimed at training up to 60,000 skilled construction workers by 2029. This initiative includes:



**10**  
institutions

Developing ten specialised institutions across England dedicated to construction training



**35,000**  
training places

Expanding skills bootcamps and providing 35,000 additional training places focused on construction skills.



**10,000**  
apprenticeship opportunities

Providing 10,000 new foundation apprenticeship opportunities for young people to enter the industry.



**40,000**  
industry placements

Facilitating up to 40,000 industry placements annually through collaboration with the Construction Industry Training Board.

There could be a bottleneck to this plan, as described by Gavin Lumsden, consultant for FE Careers. 'The effectiveness of these training initiatives hinges on the availability of qualified educators. However, the sector faces a dearth of construction-skills teachers and trainers. Attracting industry professionals into teaching roles is imperative to bridge this gap and ensure the success of training programs.'

<sup>23</sup> <https://www.ft.com/content/ca441a61-6feb-4d94-970a-b83b75b8dcd0>

<sup>24</sup> <https://www.gov.uk/government/news/government-unleashes-next-generation-of-construction-workers-to-build-15m-homes#:~:text=Ahead%20of%20the%20Spring%20Statement,60%2C000%20more%20skilled%20construction%20workers.>



## Addressing issues from abroad

A common theme across politics and policy suggests a frequent clash between two or more national objectives/ issues/directions of travel. On the one hand, successive governments of different stripes have been vocal about reducing immigration. On the other hand, immigration represents part of the solution for the construction sector.

Before Brexit about 40% of construction workers in the UK<sup>25</sup> came from other EU countries.

New Civil Engineer published an article in March by immigration specialists Fragomen describing an ‘intense pressure’<sup>26</sup> as a result of lacking access to international labour in the UK. ‘With a dwindling domestic workforce, the industry increasingly relies on migrant workers to fill critical gaps, yet ongoing obstacles threaten its stability and growth,’ wrote Nadine Barnole, Fragomen’s senior manager, and Skye Belger, the company’s immigration paralegal.

**Before Brexit about 40% of construction workers in the UK came from other EU countries.**

Issues include getting access to visas:

- **Skill-level eligibility requirements**

Work permits for Skilled Workers demand that candidates have obtained at least an RQF Level 3 – the equivalent to A-levels. Global Business Mobility visas require RQF Level 6 (Bachelor’s degree and above). With the more practical, trade-based focus of construction jobs, these visas fail to meet the industry’s needs.

- **Changes as of 12 May have reduced clarity**

The Home Office’s 12 May announcement ‘Restoring Control over the Immigration System’<sup>27</sup> announced changes to the Skilled Workers permits, increasing the minimum qualification to RQF Level 6 (Bachelor’s degree and above).

- **Exemptions**

The report states that, ‘Skilled worker visas will still be issued for jobs assessed at RQF3-5 but only on a time-limited basis and if the government’s migration advisory committee deems that there is a shortage of domestic staff. Industries that do this must demonstrate that they are taking steps to try to plug the recruitment gap.’

‘Tighter immigration rules following Brexit made it harder to recruit and retain workers in the industry, which relied heavily on hiring foreign workers,’ wrote the Financial Times<sup>28</sup>.

‘Still, given the time it takes to train new construction workers, there’s a risk that shovel-ready projects fail to take off due to the lack of manpower. That might require the government to make tweaks to the immigration system to make it simpler and cheaper to recruit talent from abroad. One option might be to grant companies access to a two-to three-year special construction visa on the condition they also train UK workers.’

This solution would be an effective stopgap. ‘To sustain high building rates for projects ranging from reservoirs to small modular reactors over the coming years and decades, Britain needs to develop a long-term pipeline of talent –and knowledge.’

<sup>25</sup> <https://buildsafe.co.uk/the-impact-of-brexit-on-the-construction-industry/>

<sup>26</sup> <https://www.newcivilengineer.com/opinion/the-intense-pressure-of-skills-shortages-within-the-uk-construction-sector-10-03-2025/>

<sup>27</sup> <https://assets.publishing.service.gov.uk/media/6821aec3f16c0654b19060ac/restoring-control-over-the-immigration-system-white-paper.pdf>

<sup>28</sup> <https://www.ft.com/content/28858916-ff4f-4cce-b49d-b6ea109f1548>

## 5 Technology adoption

Continuing with the theme of recruitment, Sage produced a related article this April, titled, 'How tech-driven strategies can solve your construction skills shortages.'

In the article, they suggested looking at technology to fill workforce gaps, including:

- **Robotic brick-laying robots**

Developed by Construction Robotics in the USA, these automatons<sup>29</sup> require an operator to lay mortar, but otherwise work relentlessly.

- **Drones for site surveys**

Drones' ability to view sites from multiple angles and to be operated remotely can transform<sup>30</sup> site inspections, surveying, and monitoring progress.

- **AI across the workflow**

AI and machine learning has the potential to analyse project timelines, optimise scheduling, ensure better resource allocation, and reduce delays. Other uses include predictive maintenance and reporting insights for analysing waste and optimising costs.

- **BIM**

Creating 3D models during the design phase of projects and ensuring that data is collected on site during construction has the potential to reduce rework by making decision-making more data-based and reactive.

The article then explores 3D printing – with implications ranging from reduced project costs to the need for smaller teams.



### 3D printing: a new way to build

3D printing has progressed far beyond the creation of small-scale products, and is now being used to print complex shapes and structures<sup>31</sup> in a matter of hours, including entire floors of buildings.

<sup>29</sup> <https://www.youtube.com/watch?v=vHh5L6M8mjs>

<sup>30</sup> <https://www.capttechu.edu/blog/drone-use-in-construction-industry>

<sup>31</sup> <https://www.youtube.com/watch?v=zezqko5dMKM>



## Case study



'Founded in Africa and scaling up around the world', 14Trees<sup>32</sup> – a joint venture with Swiss-based Holcim, British International Investment (BII), the UK's development finance institution, and Amazon's Climate Pledge Fund – is responsible 'for 10% of the world's 3D-printed buildings'. The houses are 20% cheaper than traditional buildings.

*Mvule Gardens, Kenya (Image: 14Trees<sup>33</sup>)*



## Case study



ICON's 'world-class home designs<sup>34</sup> brought to life through robotic construction' include Project Olympus<sup>35</sup>, 'research and development of space-based construction systems to support future exploration of the Moon and beyond'. More terrestrial, the company are responsible for the first 3D-printed homes sold in America. The first floor of each home is 3D printed.

*East 17th Street Residences  
(Image: ICON, Regan Morton)*



<sup>32</sup> <https://www.14trees.com/>

<sup>33</sup> <https://www.14trees.com/our-projects>

<sup>34</sup> <https://iconbuild.com/about-icon-homes>

<sup>35</sup> <https://www.iconbuild.com/projects/project-olympus>

## Collaborate or be left behind

In May, Brabners gave a warning to the industry in their article<sup>36</sup> 'UK construction industry – collaborate on AI or be left behind, leaders say.'

They argued that while larger projects were already benefitting from AI's ability to automate 'mundane and time-consuming tasks' more widespread adoption was being held back by several factors, including cost concerns, project-specific complexities, and misconceptions about AI as a standalone tool.

A major challenge is the lack of structured data and cybersecurity planning. AI systems require clean, organised data and robust digital infrastructure to function effectively. There's also a pressing need for education and training so teams can use AI tools competently and safely. Many in

the sector still see AI as a future investment rather than an immediate asset.

More negatively, the article discussed concern over the absence of regulation, which raises the risk of misuse and unaddressed liability in the event of AI-driven errors. Experts agree that proactive regulation is critical to avoiding reactive, post-crisis measures.

Despite concerns that AI might replace jobs, industry leaders suggest it will more likely augment roles and improve decision-making. To truly benefit, the industry must shift from seeing AI as a competitive advantage to a collective tool for transformation, the article argued. Collaboration, education, and responsible deployment are key to ensuring construction isn't left behind in the digital age.



<sup>36</sup> <https://www.brabners.com/insights/property-construction-regeneration/uk-construction-industry-collaborate-on-ai-or-be-left-behind-leaders-say>

## 6 Net zero and sustainability

At face value, the story around green initiatives in the country seems to be jumping between opposing goals – namely conservation and net zero on the one hand and economic growth and construction of all types on the other.

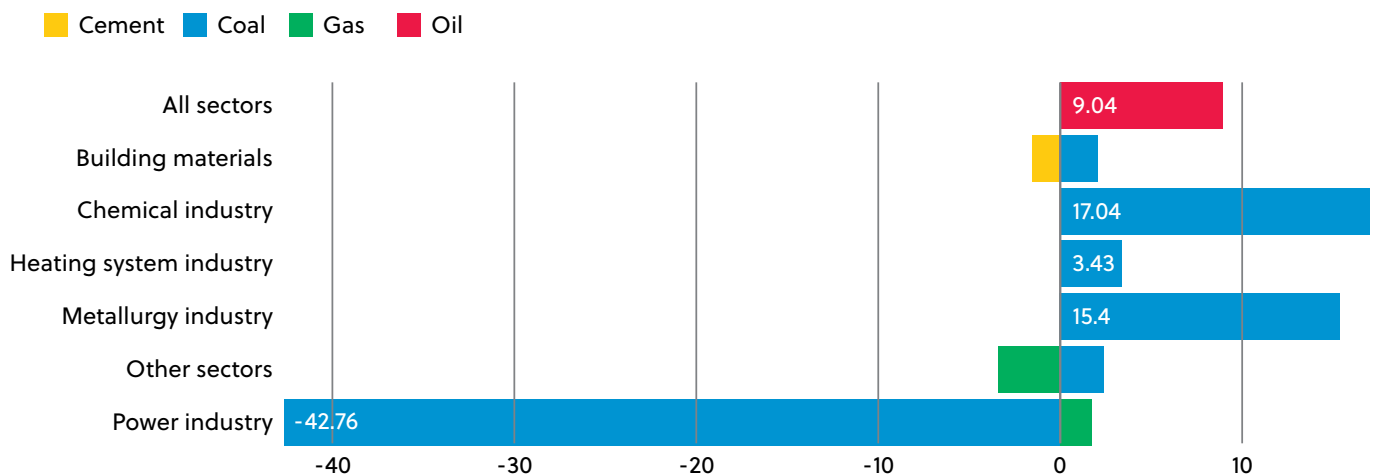
Interestingly, China – a country often pointed at negatively for their carbon impact – announced huge progress and a milestone achievement<sup>37</sup> in May, inspired by pricing policies

around renewables. Their CO<sub>2</sub> emissions have dropped due to clean energy – solar, wind, and nuclear – for the first time.

Carbon brief analysed the data and showed how this boost from clean energy counterbalanced smaller rises in other industries. It's food for thought for the UK.

### ► Falling CO<sub>2</sub> due to clean power outweighed rises elsewhere

Year-on-year change in China's CO<sub>2</sub> emissions from fossil fuels and cement, MtCO<sub>2</sub>



Source: Analysis by Lauri Myllyvirta for Carbon Brief  
(Chart: Carbon Brief)

<sup>37</sup> <https://www.carbonbrief.org/analysis-clean-energy-just-put-chinas-co2-emissions-into-reverse-for-first-time/>

## PAS 2080 in construction

April's edition of the Construction News podcast<sup>38</sup> begins with the question, in relation to PAS 2080, the environmental framework<sup>39</sup>, 'are we at the tipping point?'

The episode featured Ben Vogel, deputy editor of Construction News, Mark Fenton, carbon lead at Sizewell C nuclear power station project, and Matt Pigott, head of net zero at Speedy Hire. In summary, they suggested that PAS 2080 is pivotal for the construction industry's future, particularly in driving decarbonisation and net zero goals. Discussions around key future trends included:

### 1. Mandatory certification

Major institutions like HS2 and National Highways will require PAS 2080 certification, making it a prerequisite for winning contracts.

### 2. Holistic sustainability

PAS 2080 is evolving beyond carbon metrics to support a broader transition to net zero, including green skills development and supply chain transformation.

### 3. Procurement changes

Tenders are increasingly weighted towards ESG performance, with potential future developments, like linking sustainability performance directly to revenue or creating innovation funds.

### 4. Supply chain integration

The standard is expected to filter down from tier-one contractors to SMEs, creating a more comprehensive approach to carbon management.

### 5. Continuous improvement

The standard encourages ongoing innovation, particularly in areas like hydrogen, battery technology, and low-emission equipment



## Incorporating PAS 2080 with ISO 14001

During the podcast, Mark Fenton suggested that medium-sized organisations could easily incorporate PAS 2080 into their existing management systems. He explained that many companies already use the ISO 14001 environmental management system or the ISO 9001 quality management system, and that PAS 2080 could be integrated as an extension to these existing frameworks.

Companies with ISO 14001 and 9001 are already set up to build on their existing management infrastructure without creating an entirely new system from scratch. After all, PAS 2080 has been designed with flexibility in mind, allowing organisations to self-verify against the standard to avoid additional third-party certification costs. The goal isn't to create a perfect system, but to demonstrate capability and commitment to continual improvement in carbon management.

This approach is a practical way for medium-sized contractors to adopt PAS 2080 without feeling overwhelmed by a completely new regulatory requirement.

<sup>38</sup> <https://www.constructionnews.co.uk/sections/podcast/>

<sup>39</sup> <https://re-flow.co.uk/news/pas-2080>



## Big projects using PAS 2080

### Lower Thames Crossing

The Lower Thames Crossing is being designed as 'the greenest road ever built in the UK<sup>40</sup>', embedding net zero ambitions and PAS 2080-accredited carbon management throughout its lifecycle.

#### Sustainable Design & Carbon Management highlights:

- **Habitat & community enhancement**

The scheme includes seven new green bridges (including Europe's widest) to connect wildlife habitats, almost 40 miles of new or improved pathways for walkers, cyclists, and horse riders, and major investments in new green spaces, including community woodlands and landscaped parks.

- **Cutting-edge carbon management**

The Lower Thames Crossing is the first to include a legally binding construction carbon limit in its planning application, leading to a construction carbon footprint reduction of approximately 50%. The project also prioritises low-carbon materials – fusing low-carbon concrete and steel – and is procuring the sector's largest volume of hydrogen to phase out diesel by 2027.

- **PAS 2080 accreditation**

The project adheres to the PAS 2080 framework, ensuring a comprehensive, lifecycle approach to carbon management.

- **Carbon literacy**

Achieving Gold level Carbon Literacy accreditation, the team has completed over 2,500 hours of training to drive sustainability at every project stage.

- **Industry leadership**

It has also led the founding of the Construction Leadership Council's Five Client Carbon Commitments<sup>41</sup>, underlining its pioneering role in decarbonising infrastructure.



Image source: Thames water

### Thames Tideway Tunnel

The Thames Tideway Tunnel<sup>42</sup> is designed to upgrade London's ageing wastewater system. In its planning and delivery, the project has integrated robust carbon management methods aligned with PAS 2080. By applying lifecycle carbon assessments – from design through construction and into operations – the project can identify reductions in embodied and operational carbon. This commitment to sustainable infrastructure underpins its strategy toward climate-resilient urban systems.

<sup>40</sup> <https://nationalhighways.co.uk/our-roads/lower-thames-crossing/environment/>

<sup>41</sup> <https://www.constructionleadershipcouncil.co.uk/news/the-five-client-carbon-commitments/>

<sup>42</sup> <https://www.tideway.london/>

## HS2

HS2 is<sup>43</sup> 'the first client organisation in the UK transport sector, and the second in the world, to achieve the PAS 2080 standard.'

The project has adopted advanced carbon management strategies throughout its design and construction phases. By using an approach in line with PAS 2080, HS2 seeks to rigorously quantify carbon emissions and integrate reduction measures, ensuring that environmental performance is a core project criterion in meeting national low-carbon ambitions.



### ► HS2 sustainability features



#### Reduced steel usage at old oak common station

- Structural modifications led to a 27% reduction in steel usage.
- Over 1,000 tonnes of steel saved, cutting 2,700 tonnes of carbon.
- Resulted in a £7 million cost saving.



#### Innovative electric machinery

- UK's first electric, zero-emission forklift introduced on sites.
- Solar and hydrogen-powered welfare cabins deployed,
- cutting 100+ tonnes of carbon



#### Rail transport for materials

- 15,000 freight trains will move 10 million tonnes of aggregate over ten years.
- Each freight train replaces 70 lorries, significantly reducing emissions.



#### Zero-carbon train operations:

- HS2 trains will run on an increasingly green energy grid.
- Future 100% zero-carbon energy supply will make journeys fully sustainable.

<sup>43</sup> <https://mediacentre.hs2.org.uk/news/hs2-becomes-first-uk-transport-sector-client-to-achieve-global-carbon-management-standard>

# 7 Diversity and collaboration

Building.co.uk addressed the 224,900-person recruitment void in their article<sup>44</sup> 'Can diversity, equality, and inclusion help solve the construction skills crisis?'

The article included some interesting perspectives, the first from Vicky Brook - chair of the Women's Leadership Group and founder of P3CL:

'With the women into construction offering ceasing, I have been in discussion with a number of organisations who see a significant need to bring diverse talent into the sector,' Vicky said. 'At the core of these discussions is the aim of tackling DEI head on, with efforts that focus on women as well as other marginalised groups. The only way we can establish a best-in-class workforce is by attracting quality candidates that are keen to learn, and developing their skills through education pathways, alongside comprehensive training. This approach will increase both recruitment figures and retention. So yes, I do think DEI can assist the skills gap.'

Nicola Hodkinson, owner and director of Seddon, gave a less optimistic perspective.

'I don't believe the two necessarily are that linked. The only way we're going to narrow the employee skills gap is by employing new people,' Nicola said. 'There are currently thousands of hopeful construction workers in higher education who will never come into our industry because the employment opportunities are not there. We have a self-employed sector with a head-down attitude, looking only at today and not at the future of taking on apprentices.'



'It is a shame because we know that our current industry is not diverse, which means diversity hinges so much on new recruits. But we are not going to get those new recruits as it currently stands. There is no doubt that having a diverse pool would make the industry so much better. But sadly I don't think it's going to make any difference over the next decade in my working life.'

<sup>44</sup> <https://www.building.co.uk/social-value/can-diversity-equality-and-inclusion-help-solve-the-construction-skills-crisis/5134734.article#:~:text=While%20DEI%20alone%20won't,talent%20it%20needs%20to%20survive.>

## An eye on politics

Whether the focus is on improving safety and working conditions, addressing recruitment shortages, bringing diversity into the industry, or collectively progressing towards net zero, there often seems to be a broad alignment across the infrastructure sector.

However, as is often the case, political dynamics are creating uncertainty. The UK's net zero commitment – enshrined in law in 2019 and carried forward by successive governments – continues to guide policy. Yet recent electoral shifts and emerging political narratives across the world suggest that future consensus is not guaranteed. Some parties have expressed scepticism about the pace

and scope of net zero initiatives, for example, and have spoken about a plan to actively disrupt projects as a result.

Such changes could affect investment certainty, workforce planning, and the longer-term viability of frameworks like PAS 2080.

At present, there is consistency in the government's approach to the built environment, with backing for progressive infrastructure development. Assuming this direction holds, the sector has a platform to plan, deliver and innovate over the next electoral cycle.





## 'Local solutions for a global challenge' – EDI abroad

Another perspective came from Construction Management. Their article<sup>45</sup> 'EDI in construction: local solutions for a global challenge' argued that conventional approaches to EDI, which feature frameworks based on western criteria, might be counterproductive in areas like the Middle East and South East Asia. In the process they compared the impact of EDI in several locations, including the UK, which highlighted the UK as a country to be proud of in this regard.

Comparing and contrasting also shows a potential future for our own industries if EDI initiatives are neglected.



### ► Gender equality & EDI in global construction: key takeaways

#### India



- Largest gender gap overall and in leadership roles.
- Women largely absent from top management and boards.
- Focus is primarily on improving workplace safety and preventing harassment.
- Institutional diversity objectives are rare (only 1 in 10 companies have targets).

#### United Kingdom



- More balanced workforce representation, but leadership roles still skewed.
- Emphasis on setting specific targets for women and minority representation.
- EDI practices are broad, covering gender, race, and LGBTQ+ inclusion.

#### Sweden



- Strong gender equality reputation, but women drop off in leadership roles.
- Known for cultural change initiatives and leadership programmes for women.
- More structured and mature approach to setting and meeting diversity targets.

<sup>45</sup> <https://constructionmanagement.co.uk/edi-in-construction-local-solutions-for-a-global-challenge/>

## 8 Conclusion

The insights in this report suggest a need for holistic thinking – where technology adoption, upskilling, diversity, and sustainability are not siloed initiatives but components of a cohesive strategy. In addition, ideology risks oversimplifying issues and risks a consistent direction moving forwards.

There is no single silver bullet, but there are actionable steps to build a more robust, future-ready sector. These include integrating standards like PAS 2080, investing in

data-driven tools like AI and BIM, creating flexible pathways into the industry for young and diverse talent, and revisiting immigration frameworks to meet near-term labour needs.

Politics may remain unpredictable, and macroeconomic conditions volatile, but firms that embrace adaptability and strategic partnerships will be best placed to thrive.



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