

# Civil Engineering - UK - 2022

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## This report looks at the following areas:

- The impact of COVID-19 on the civil engineering construction sector.
- The sector's role in the UK's economic recovery and progress towards Net Zero.
- The impact of government policies and regulatory changes on the market.
- Key drivers for growth across the civil engineering construction market.
- Five-year market outlook.

Following the disruption caused by COVID-19 in 2020, which saw civil engineering activity decline by 2%, the sector demonstrated a strong recovery in 2021, with partial year data indicating a 22% increase in infrastructure construction output.

While most contractors operated normally during the second and third national lockdowns, firms' profits for the 2020/21 financial year were hit by site closures in the initial lockdown, lower productivity, additional operating costs and contract re-assessments.

While civil workloads remain buoyant, the challenges associated with the COVID-19 pandemic and Brexit continue to place civil contractors under pressure. The sector is reporting issues with the supply of materials and products and rising cost pressures, affecting the delivery of some projects. Shortages in skilled labour also continue to pose challenges to the industry, which will require considerable investment to overcome.

The government's commitment to infrastructure spending as part of the economic recovery from COVID-19, the "levelling-up" agenda and the need to progress towards Net Zero Carbon by 2050 should ensure sustained growth in the civil engineering sector over the coming years. Opportunities are set to be particularly strong in the rail transport sector, driven by HS2. Other major projects expected to drive output over the next five years include Hinkley Point C, the Thames Tideway Tunnel, major road schemes as part of the Road



"The government's commitment to infrastructure spending as part of the economic recovery from COVID-19, the 'levelling-up' agenda and the need to progress towards Net Zero Carbon by 2050 should ensure sustained growth in the civil engineering sector over the coming years."

- Claudia Preedy, B2B Senior Analyst

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Investment Strategy 2 (2020-25) and projects associated with the decarbonisation of the energy system.

### What's included

Executive Summary

---

Full Report PDF

---

Infographic Overview

---

Powerpoint Presentation

---

Interactive Databook

---

Previous editions

---

### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

---

EMEA +44 (0) 20 7606 4533

---

Brazil 0800 095 9094

---

Americas +1 (312) 943 5250

---

China +86 (21) 6032 7300

---

APAC +61 (0) 2 8284 8100

---

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## Table of Contents

### OVERVIEW

- **Key issues covered in this Report**
- **COVID-19: market context**
- **Economic and other assumptions**
- **Categories covered in this Report**

### EXECUTIVE SUMMARY

- **Impact of COVID-19 on civil engineering construction**

Figure 1: Short-, medium- and long-term impact of COVID-19 on civil engineering, 2020-25

- **The market**
- **Civil engineering construction activity shows good recovery in 2021**

Figure 2: New civil engineering construction output in Great Britain, 2017-21

- **Construction output in rail sector up by an estimated 41% in 2021**
- **Electricity sector accounted for more than a third of civil engineering construction output in 2021**
- **Roads represent the second-largest sector for civil engineering construction output in 2021**

Figure 3: Civil engineering construction output in Great Britain, by sector, 2021 (% of total)

- **Civil engineering construction sector set for sustained growth**

Figure 4: Forecast new civil engineering construction output in Great Britain, 2022-26

- **Companies and brands**
- **Civil engineering companies are required to develop a wider set of skills and competencies**
- **Increased cost pressures are leading to strained relationships between utility companies and contractors**

### ISSUES AND INSIGHTS

- **Civil engineering sector reports buoyant workloads, but concerns about delivery remain**
- **Civil engineering companies are required to develop a wider set of skills and embrace digital transformation to optimise efficiency and project delivery**
- **Increased cost pressures are leading to strained relationships between utility companies and contractors**

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

MARKET SIZE AND PERFORMANCE

- COVID-19 impact on civil engineering sector relatively short-lived**

Figure 5: Short-, medium- and long-term impact of COVID-19 on civil engineering, 2020-25
- Market overview**

Figure 6: Civil engineering construction output in Great Britain, 2017-21

Figure 7: New civil engineering construction output in Great Britain, 2017-21

Figure 8: Total new construction and civil engineering output in Great Britain, 2017-21
- Market segmentation**

Figure 9: Civil engineering construction output in Great Britain, by sector, 2017-21

Figure 10: Civil engineering construction output in Great Britain, by sector, 2017-21
- Regional civil engineering construction output**

Figure 11: Analysis of civil engineering construction output, by region, 2018-21

WATER & SEWERAGE SECTOR

- COVID-19-related disruption to water industry capital programmes**

Figure 12: UK capital expenditure on water and sewerage services, 2016-21
- Move towards totex in AMP6 and beyond reduces potential bias towards capital solutions**
- Move towards long-term alliances and frameworks across industry**
- Water civil engineering construction output**

Figure 13: Civil engineering construction output for the potable water industry in Great Britain, 2017-21
- Sewerage civil engineering construction output**

Figure 14: Civil engineering construction output for the sewerage industry in Great Britain, 2017-21

ELECTRICITY SECTOR

- Electricity distribution capital expenditure**

Figure 15: UK gross capital expenditure by electricity distribution network operators, 2017-21

Figure 16: UK gross capital expenditure by electricity distribution network operators, 2017-21

What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Smart grid development to support low-carbon economy and aid transition to a more flexible energy system**
- **Rise in distributed generation requires more active management of distribution network**

- **Electricity transmission capital expenditure**

Figure 17: Size of electricity transmission network in Great Britain, 2021

Figure 18: Capital expenditure by the electricity transmission industry in Great Britain, 2017-21

Figure 19: Capital expenditure by the electricity transmission industry in Great Britain, 2017-21

- **The electricity generation mix**

Figure 20: Analysis of electricity generation in the UK, by type of fuel used, 2016-20

Figure 21: Proportional importance of fuel source in UK electricity generation, 2016 and 2020

Figure 22: Proportional importance of fuel source in UK electricity generation, 2021

- **Electricity civil engineering construction output**

Figure 23: Civil engineering construction output for the electricity industry in Great Britain, 2017-21

Figure 24: Civil engineering construction output for the electricity industry in Great Britain, 2017-21

## GAS SECTOR

- **Industry Overview**

- **Gas capital expenditure**

Figure 25: Total gas transmission and distribution capital expenditure, 2017-21

Figure 26: Total gas transmission capital expenditure, 2017-21

Figure 27: Total gas distribution capital expenditure, 2017-21

- **Iron Mains Replacement Programme dominates replacement expenditure**

Figure 28: Length of iron gas mains replaced, by distribution network operator, 2015-20

- **Gas civil engineering construction output**

Figure 29: Civil engineering construction output for the gas industry in Great Britain, 2017-21

## AIRPORTS SECTOR

Figure 30: 10 largest airports in the UK, by air transport movements, 2016-20

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 31: Civil engineering construction output for the air transport industry in Great Britain, 2017-21

## COMMUNICATIONS SECTOR

- Overview**

Figure 32: Key market developments in the telecoms sector, 2015-20 (millions)

- Mobile networks**

- Broadband networks**

Figure 33: Civil engineering construction output for the communications industry in Great Britain, 2017-21

Figure 34: Civil engineering construction output for the communications industry in Great Britain, 2017-21

## RAILWAYS SECTOR

- Network Rail's major rail modernisation programme**

- Lower enhancements expenditure**

Figure 35: Network Rail's enhancements expenditure, by key scheme, 2021

- Renewal expenditure impacted by pandemic in 2021**

Figure 36: Renewal expenditure, by asset, 2020 and 2021

- Railways civil engineering output**

Figure 37: Civil engineering construction output for the rail transport sector in Great Britain, 2017-21

## HARBOURS SECTOR

- Overview**

- Recent port expansion projects**

Figure 38: Civil engineering construction output for the harbours and waterways sectors in Great Britain, 2017-21

## ROADS SECTOR

- Overview**

Figure 39: Road network in Great Britain, by type, 2020

Figure 40: New construction and improvements of roads, motorways and all-purpose trunk roads, in England, 2014/15-2018/19 (kilometres)

- Road Investment Strategy**

- Highways England adopts new delivery models**

- New routes to market**

- The Regional Delivery Partnership Framework**

- The Smart Motorways Alliance**

- ORR warns of increasing number of enhancement schemes facing delays**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **National Highways aims to deliver infrastructure projects faster**

- **Civil engineering construction output**

Figure 41: Civil engineering new road construction output in Great Britain, 2017-21

Figure 42: Civil engineering new road construction output in Great Britain, 2017-21

**MARKET FORECAST**

- **Market drivers and assumptions**

Figure 43: Key drivers affecting MBD's market forecast, 2020-26

- **Forecast methodology**

- **National Infrastructure Strategy provides some clarity for civil engineering sector**

- **New National Infrastructure Bank launched**

- **National Infrastructure and Construction Pipeline**

Figure 44: National Infrastructure and Construction Procurement Pipeline, by sector, 2021

Figure 45: Annual profile of planned infrastructure and construction pipeline investment, by sector, 2022-25

- **Civil engineering construction forecast**

Figure 46: Forecast civil engineering construction output in Great Britain, 2022-26

Figure 47: Forecast new civil engineering construction output in Great Britain, 2022-26

**WATER & SEWERAGE SECTOR FORECAST**

- **Water companies to spend a record £51 billion in AMP7 (2020-25)**

- **Water sector to invest £2.8 billion in environmental projects to help green recovery from COVID-19**

- **Forecast civil engineering construction in the water sector**

Figure 48: Forecast civil engineering output for the water sector, 2022-26

- **Forecast civil engineering construction in sewerage sector**

Figure 49: Forecast civil engineering output for the sewerage sector, 2022-26

**ELECTRICITY SECTOR FORECAST**

- **Renewables capacity development pipeline**

Figure 50: Renewable energy projects in pipeline, by technology, as of June 2021

**What's included**

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

**Did you know?**

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

**Buy this report now**

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Civil engineering construction forecast in the electricity sector**

Figure 51: Forecast civil engineering output for the electricity sector, 2022-26

Figure 52: Forecast civil engineering output for the electricity sector, 2022-26

## GAS SECTOR FORECAST

Figure 53: Forecast civil engineering output for the gas sector, 2022-26

## AIRPORT SECTOR FORECAST

Figure 54: Forecast civil engineering output for the airports sector, 2022-26

## COMMUNICATIONS SECTOR FORECAST

Figure 55: Forecast civil engineering output for the communications sector, 2022-26

## RAILWAYS SECTOR FORECAST

- **HS2 set to dominate rail infrastructure spending**
- **Northern Powerhouse Rail**
- **IRP scales back Northern Powerhouse Rail and HS2**
- **Civil engineering construction forecast in the rail sector**

Figure 56: Forecast civil engineering output for the rail sector, 2022-26

## HARBOURS SECTOR FORECAST

Figure 57: Forecast civil engineering output for the harbours sector, 2022-26

## ROADS SECTOR FORECAST

- **RIS2 (2020-25) to see £24 billion invested in strategic roads network**
- **National Highways plans to accelerate delivery of major road schemes**
- **Civil engineering construction forecast in the roads sector**

Figure 58: Forecast civil engineering output for the roads sector, 2022-26

Figure 59: Forecast civil engineering output for the roads sector, 2022-26

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

**MARKET DRIVERS – WATER & SEWERAGE SECTOR**

- **Key challenges facing the water and sewerage sector to 2050**
- **Climate emergency**
- **Population growth**  
Figure 60: Population projections for England, by region, 2018-41
- **Asset health and skills**
- **Improving the environment**
- **Industry regulation**
- **Legislative environment**
- **Implications of Brexit on the UK water and sewerage sector**
- **Environment Act 2021**
- **Water infrastructure and flood resilience play key roles in government’s National Infrastructure Strategy**
- **Thames Tideway Tunnel**  
Figure 61: Estimated cost of Thames Tideway Tunnel, 2018-26

**MARKET DRIVERS – GAS & ELECTRICITY SECTORS**

- **Price Controls**
- **Decarbonisation of UK energy system**
- **Government sets out headline commitments to help progress towards Net Zero**
- **Ambition to achieve net-zero emissions by 2050 will push up electricity demand**
- **Change in energy mix is a key driver for investment in electricity transmission network**
- **Support mechanisms and policies to decarbonise electricity**
- **Renewables Obligation**
- **Feed-in Tariffs**
- **Carbon Price Floor**
- **Contracts for Difference**
- **Capacity Market**

**MARKET DRIVERS – AIRPORTS SECTOR**

- **Third runway at Heathrow Airport gets go-ahead but completion of project remains uncertain**

**MARKET DRIVERS – COMMUNICATIONS SECTOR**

- **Government committed to rollout of full-fibre and 5G networks**

**MARKET DRIVERS – RAILWAYS SECTOR**

- **Drivers of investment in rail industry**

**What's included**

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

**Did you know?**

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

**Buy this report now**

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- Impact of COVID-19
- Rail network funding and regulation
- Network Rail’s spending plans for CP6
- Williams-Shapps Plan for rail considered the biggest shake-up of the UK railway industry in more than 25 years
- Integrated Rail Plan for the North and Midlands

MARKET DRIVERS – PORTS & HARBOURS SECTOR

- UK port demand set to increase

MARKET DRIVERS – ROADS SECTOR

- RIS2 (2020-25) to see £24 billion invested in strategic roads network

COMPETITIVE STRATEGIES

- Balfour Beatty has simplified and refocused operations through its Build to Last programme
- BAM Nuttall focuses on markets where it has proven competitive strengths
- Costain adopts “leading edge” strategy to transition to higher-margin services
- Kier simplifies portfolio of business
- Laing O’Rourke’s mission is to become the recognised leader for innovation and excellence in the construction sector

INDUSTRY DEVELOPMENTS

- Trend towards long-term partnerships and alliances, especially in utilities sector...
- ...but increased cost pressures are leading to strained relationships between utility companies and contractors
- Civil engineering companies are required to develop a wider set of skills and competencies
- Industry structure

Figure 62: Analysis of the civil engineering industry, by type of activity and company size, 2021 (£000 and number of companies)

Figure 63: Analysis of the civil engineering industry, by type of activity, number of companies and % of total, 2021

COMPANY PROFILES

- Introduction
- Balfour Beatty

What's included

- Executive Summary
- Full Report PDF
- Infographic Overview
- Powerpoint Presentation
- Interactive Databook
- Previous editions

Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Balfour Beatty has simplified and refocused operations through its Build to Last programme**
- **Balfour Beatty withdraws from water and gas sectors**
- **Balfour Beatty order book boosted by HS2 contract**
- **Financial performance**  
Figure 64: Financial analysis of Balfour Beatty, 2016–20  
Figure 65: Turnover analysis of Balfour Beatty, by segment, 2018–20
- **Costain Group**
- **“Leading Edge” strategy**
- **Financial performance and outlook**  
Figure 66: Financial analysis of Costain Group, 2016–20  
Figure 67: Turnover analysis of Costain Group, by segment, 2018–20
- **J Murphy & Sons**
- **Group strategy**
- **Financial performance**  
Figure 68: Financial analysis of J Murphy & Sons, 2016–20
- **BAM Nuttall**
- **Focus on markets where BAM has proven competitive strengths**
- **Financial performance**  
Figure 69: Financial analysis of BAM Nuttall, 2016–20
- **Skanska UK**
- **Skanska adopts Laser Focus Plan to improve performance and focus on core business**
- **Skanska sells its infrastructure services arm and exits utility contracting**
- **Financial performance**  
Figure 70: Financial analysis of Skanska UK, 2016–20
- **Galliford Try Infrastructure**
- **Corporate restructuring sees company focus on water and highways sectors**
- **Strategy**
- **Financial performance**  
Figure 71: Financial analysis of Galliford Try Infrastructure, 2017–21

**APPENDIX – DATA SOURCES, ABBREVIATIONS AND SUPPORTING INFORMATION**

- **Abbreviations**
- **Methodology**

**What's included**

- Executive Summary

---

- Full Report PDF

---

- Infographic Overview

---

- Powerpoint Presentation

---

- Interactive Databook

---

- Previous editions

---

**Did you know?**

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world’s leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

**Buy this report now**

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## FURTHER SOURCES AND CONTACTS

- Trade associations
- Association of Consulting Engineers
- Civil Engineering Contractors Association
- Institution of Civil Engineers
- Trade magazines
- Building
- Civil Engineering Surveyor
- EMAP Publishing Ltd
- International Railway Journal
- Modern Railways
- New Civil Engineer
- Plant & Civil Engineer
- Railway Gazette International
- Rail Professional
- Water & Sewerage Journal
- Utility Week
- Trade events
- Railtex/Infrarail 2022
- Traffex 2022

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



## About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.