

Utility Capital Expenditure - UK - 2023

Report Price: £1495 | \$1995 | €1800

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This report looks at the following areas:

- The impact of COVID-19 on utility capital expenditure and how the sector has emerged from the disruption.
- Capital spending over the latest spending periods across the individual sectors.
- How utility network operators play a key role in the transition to Net Zero.
- Key drivers and challenges that are set to shape utility capital expenditure over the coming year

For the current spending period (AMP7 2020–25), Ofwat provided a record £51 billion funding package for water companies in England and Wales. In 2021, a number of water companies announced additional investment to deliver environmental improvements as part of the government's Green Economic Recovery programme. Severn Trent Water, South Staffs Water, South West Water, Thames Water, and United Utilities will invest an extra £793 million, on top of their existing five-year AMP7 packages. Ofgem has also approved £1.9 billion worth of extra statutory environment schemes to be brought forward into the 2020–25 period by water companies in England and Wales.

Contractors are facing continued supply chain pressures as a result of inflation, materials and labour shortages, impacting the delivery of some capital projects. Utility companies also face challenges to balance investment needs with customers facing an increase in the cost of living.

Operators are facing increased pressure to deliver investments at the lowest costs, which in light of current macro-economic conditions, presents challenges. These increased cost and efficiency pressures are set to be passed onto the supply chain. As a consequence, a number of tier one contractors may be squeezed out of the market. Balfour Beatty, for example, confirmed in August 2020 that it is withdrawing from the gas and water sectors.



"The utilities sector is set to see continued strong capital spending levels, with significant investment required to futureproof networks and help transition to Net Zero."

– Claudia Preedy, Principal Analyst

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Infrastructure investment will continue to be a key focus across the utilities sector, driven by the need to replace old assets, boost resilience, deliver an environmentally sustainable network and supporting the transition to Net Zero. The stronger focus on collaboration, technology and innovation should enable utilities and their supply chains to deliver future capital projects in the most efficient way.



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- Chartered Institution of Water & Environmental Management
- International Water Association
- Ofwat
- Street Works UK
- Trade magazines
- The Engineer
- European Process Engineer
- Plant and Works Engineering
- Utility Week
- Trade events
- Offshore Europe
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- Utility Week Live 2023
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