

Industrial strategy: key takeaways for construction

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Cheaper energy costs, the creation of investible sites, and more support for supply chains are among the latest government measures promising benefits for the construction sector.

Confirmed in the ten-year industrial strategy on Monday, new plans include reducing electricity costs for manufacturing businesses in the IS-8 – eight sectors identified as having the greatest potential to boost economic growth – and foundational industries, such as construction.

This would relieve eligible businesses in energy-intensive manufacturing industries of paying costs under the renewables obligation, feed-in tariffs and the capacity market.

Up to 7,000 businesses could benefit from the measure, including UK steel firms that have struggled to remain competitive amid surging energy costs.

The strategy also featured the proposed launch of a new Strategic Sites Accelerator.

Backed by £600 million of investment, the scheme would help bring sites to market faster through several interventions including land remediation and transport improvements.

A new Supply Chain Centre was put forward in the strategy too. This will review the inputs of foundational industries in the IS-8, consider how future trends impact demand, and determine necessary actions such as increasing domestic capability.

Other positive measures for construction included an investment of £100 million over three years to develop engineering skills in England. This will sit alongside defence and digital skills and AI packages that

build on the £600 million investment in training construction workers.

The strategy has been broadly welcomed by the construction sector, while members of the government have voiced support for IS-8.

Tim Kay, deputy chief scientific adviser at the Department for Business and Trade, said: *'We make no apologies for picking sectors in which the UK has or could have outsized economic growth prospects, from financial services to advanced manufacturing⁽¹⁾.*

'The strategy sets out the argument that these are the sectors where the UK has the highest potential to achieve significant growth over the next 10 years.'

Reflecting on the strategy, [BCIS](#) chief economist, Dr David Crosthwaite, agreed there were some positives for construction but argued the sector had still been overlooked.

He said: '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.'