

National Infrastructure Strategy Roundtable Discussion

Summary of Discussion

Introduction

The government's new 10-year Infrastructure Strategy is aimed at stimulating, supporting and sustaining growth and competitiveness across the UK economy and sets out the government's strategy for delivering economic and social infrastructure over a 10-year period. Central to the government's mission is the delivery of 1.5 million new homes during this parliament.

In July 2025, Pinsent Masons and Constructing Excellence jointly hosted a Roundtable Forum, which was attended by 50 senior executives from across housing, infrastructure and construction sectors. The Roundtable Forum focused on how the sector can work together with government to support the Infrastructure Strategy and build confidence and momentum in the delivery of the UK's next generation of economic and social infrastructure, including housing at scale.

We include a summary of the key findings from the discussion.

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Summary

Housing programme: the government's Long-Term Housing Strategy, due to be published later in 2025, should set out a programme of housing construction to ensure certainty of pipeline to meet this government's national target of building 1.5 million new houses during this parliament. This will help provide certainty over the longer term. The scale and complexity of the housing challenge requires cross-sector focus. It is essential that strategic partnerships with long-term capital and appropriate funding mechanisms are developed to support a longer-term pipeline of delivery that will support an industry-wide campaign and support an industrialised approach to delivering high quality Net Zero housing.

Planning: use of digital tools could help support the planning process and create a cohesive national approach to spatial infrastructure planning, but there will need to be investment in central and local government to make this happen.

Competency and training: workforce skills and the need to address longer-term structural workforce issues need to be addressed across the construction industry. The Industrial Training Board (ITB) review into the role and effectiveness of the Construction Industry Training Board (CITB), recommended shifting to a whole of workforce focus on competency to drive up productivity and quality by enhancing, supporting and leveraging the wider skills system.

Productivity: construction productivity has fallen by an average of -0.6% each year between 1997 and 2019 according to the Construction Productivity Taskforce. Over the same period, productivity of the whole UK economy rose by 2.8% pa while the productivity of manufacturing grew by 3.9% pa. It now takes a larger workforce to build the same output in real terms, which makes construction more expensive than it need be and has led to a downward spiral of low margins and low investment. Productivity remains a key concern to project sponsors and the industry and should be a key focus. A one percent improvement in productivity across the construction industry can make a huge difference, especially if sustained year-on-year over the next 10 years (if manufacturing can improve by an average of 3.9% each year, why can't construction sustain a one percent annual improvement). Standardisation and adopting Industrialised Construction could create a step-change in productivity.

Procurement: a change of approach is needed to overcome transactional friction and allocate risk more effectively. There needs to be a greater focus on early design stages to maximise positive outcomes, as well as ensuring that the right skills are in place across all parts of the value chain. Constructing Excellence's Value Toolkit can help to drive this transformation.

Private investment: the scale of the opportunity presented by the Infrastructure Strategy needs to be articulated clearly to investors alongside practical and deliverable models demonstrating how this opportunity will be realised.

Infrastructure Pipeline: creating visibility and certainty in the pipeline is critical to the success of the Infrastructure Strategy. Providing greater certainty for investors, infrastructure developers and contractors is essential.

Role of NISTA: NISTA needs to be empowered to drive change and momentum on projects and foster greater collaboration between central and local governments to avoid operational silos. Sharing best practice and widening industry knowledge will support greater efficiency.

Instilling confidence: in construction and improving public perceptions is essential. Major projects are a shop window for the construction industry and can cause disproportionate reputational damage when they aren't delivered to budget or on time. As an industry, we must reclaim the narrative around infrastructure to showcase the economic and social benefits that projects deliver which often get missed amongst negative headlines.

Climate change and embodied carbon: must be tackled directly by the industry. The Infrastructure Strategy rightly focuses on the clean energy transition to help achieve net zero but does not deal with the huge amounts of carbon embodied in new construction, which typically accounts for 60% of the lifetime emissions of new homes built today.

Key findings

A housing construction programme is needed to provide certainty over the longer term

The UK is facing a growing crisis due to the chronic shortfall of homes being built. The current housebuilding model is unlikely to deliver the volume of quality housing needed, so a new programmatic place-based approach is required to ensure a long-term, rolling programme of delivery. The scale and complexity of the housing challenge—1.5 million homes this parliament—demands dedicated, cross-sector focus. Without this, housing risks becoming the Achilles heel of the broader strategy. The Infrastructure Strategy¹ acknowledges that building homes where people want to live and work is central to stimulating and supporting economic growth.

The government's Long-Term Housing Strategy, due to be published later in 2025, should set out a long-term programme of housing construction to ensure certainty of pipeline, as well as reinforcing the Government's commitment to provide increased funding to the delivery of housing across the market and tenure types, including via the enhanced Affordable Housing Grant Programme and the creation of the National Housing Bank.

Building homes on a 30-year cycle with appropriate partnerships and funding mechanisms in place is a completely different proposition to building on a two-year cycle which is driving a part of the current house building business model.



"The current housebuilding model is not going to deliver the volume of quality housing needed, so a new programmatic place-based approach is required to ensure a long-term, rolling programme of delivery."

Use of digital tools could help to streamline the planning process and create a cohesive approach to spatial infrastructure planning

Proposed changes to streamline the pre-application process for 'nationally significant infrastructure projects' (NSIPs)², along with the revised National Planning Policy Framework³, will benefit the industry. In addition, developing a spatial approach to infrastructure planning through the next generation of national policy statements and the proposed national infrastructure spatial tool⁴, a data-driven solution, will enable more informed decision-making for central and local governments. Work currently being

¹ [UK Infrastructure: A 10 Year Strategy](#), HM Treasury, July 2025, p.61

² [Major infrastructure projects planning process to be further streamlined](#), Pinsent Masons, April 2025

³ [National Planning Policy Framework](#), MHCLG, December 2024

⁴ [UK Infrastructure: A 10 Year Strategy](#), HM Treasury, July 2025, p.24

undertaken by MHCLG's Digital Planning Team⁵ to pilot end-to-end digital planning products pilots and standardise the planning application process are also welcome steps in transforming the planning process. However, it is vital that local authority planning teams are equipped and adequately resourced to deal with a growth in volume of applications.

Workforce skills and capacity need to be addressed across the industry

Skills and capacity within the construction industry are insufficient to tackle the £725bn of planned and projected investment over the next 10 years as set out in the Infrastructure Strategy and Infrastructure Pipeline⁶, launched in July 2025. The recent Industrial Training Board review⁷ recommended shifting focus from just new entrant training to whole workforce development. The review also highlighted a need for more strategic workforce planning to better predict and align future skills supply and demand, as well as recommending a digital skills passport system to track and verify worker competency.

The Roundtable also highlighted the impact of current visa arrangements, which are adversely affecting the industry, and called for an honest conversation with the government about the detrimental effects that these arrangements continue to have.

Major projects were highlighted during the Roundtable discussions to support continuous improvement, to create use cases for further delivery of projects and to develop an "Intelligent Client" culture and leadership model. This is also echoed by the government's intentions for the New Towns Programme to "serve as a model of best practice for how new, largescale development can unlock growth and meet housing demand across the country."⁸

With regards to the ring-fencing of capital funding highlighted in relation to the Infrastructure Strategy, central and local government bodies that are nominally responsible for the procurement and delivery of projects must have the necessary skills and capacity in place. In addition, the lack of resources and decision-making capabilities of other bodies, for example the Building Safety Regulator, highlight how not having adequate resources and decision-making capabilities is having a negative effect on project progress and outcomes.

Poor productivity remains a concern, but standardisation could create greater efficiencies

Poor productivity is a constant challenge in the construction industry⁹ and high levels of wasteful operations and inefficiency can negatively impact margins in an industry where those margins are notoriously low. According to The Construction Index¹⁰, the average profit margins for the top 100 UK construction companies fell to 1.7% in 2024, compared with 2.7% in 2023.

Construction productivity has fallen by an average of -0.6% each year between 1997 and 2019 according to the Construction Productivity Taskforce¹¹. Over the same period, productivity of the whole UK economy rose by 2.8% pa while the productivity of manufacturing grew by 3.9% pa. It now takes a larger workforce to build the same output in real terms, which makes construction more expensive than it need be and has led to a downward spiral of low margins and low investment. This, combined with high levels of fragmentation, makes innovation almost impossible. Yet increased productivity is essential if we are to cope with ever-increasing skills shortages, use resources more effectively and afford to invest in highly sustainable buildings that meet net zero commitments.

While improving workforce competency and skills is crucial to increasing productivity, attendees at the Roundtable also highlighted a lack of standardisation across the industry, citing too much variation in procurement, design phase and delivery approaches. A portfolio of fit-for-purpose solutions that can be matched to different site conditions and project briefs would create clearly defined and predictable pathways for project development, benefiting both clients and industry. For example,

⁵ See [MHCLG's Digital Planning blog](#)

⁶ See [Infrastructure Pipeline](#), NISTA, July 2025

⁷ [2023 Industry Training Board \(ITB\) review](#), Department for Education, January 2025

⁸ [UK Infrastructure: A 10 Year Strategy](#), HM Treasury, July 2025, p.66

⁹ Productivity in the construction industry, UK, The Office for National Statistics, 2021

¹⁰ [Top 100 Construction Companies 2024](#), The Construction Index, September 2024.

¹¹ [Productivity-Taskforce Private-Sector-Construction-Playbook-2022.pdf](#), Construction Productivity Taskforce, November 2022

through the New Hospital Programme, the government is “introducing standard designs that support productivity improvements and specialisation and reduce costs – with in-built flexibility to manage design variations at the local level”.¹² This approach could also be applied to other sectors such as housing, to help drive delivery. Better use of industrial construction and whole-life technology such as digital twins, would be beneficial for future use and can drive the delivery of quality products that can be managed and maintained over the long-term.



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A change of approach is needed for procurement to overcome transactional friction and allocate risk more effectively

A wholesale shift in the industry-wide approach to procurement is necessary to overcome transactional friction and allocate risk more fairly and effectively. This will require a significant recalibration of industry “norms”. The inclusion of cost in assessment criteria also promotes a “race to the bottom”. Constructing Excellence’s Value Toolkit¹³, which helps drive better social, environmental and economic outcomes through changing the way the construction industry thinks about, and measures value can help to drive this transformation. The Roundtable called for standardised outcome-focused approaches to procurement and likened current processes to a “Savile Row tailor” with bespoke (and often expensive) contracts and commercial arrangements. Procurement needs to be aligned with different modes of construction ensuring that there are the most appropriate routes and contracts in place.

There needs to be a greater focus on early design stages to maximise positive outcomes, including identifying the right solution for the project with the right level of detail and ensuring that the right skills are in place across all parts of the value chain. Strategic and collaborative relationships are key to creating a holistic and a joined-up view across sectors, which requires a place-based, area-wide, systems-aware approach.

The scale of the opportunity presented by the Infrastructure Strategy needs to be articulated clearly to investors

The government recognises that there needs to be a significant and sustained increase in private sector investment to support economic and social infrastructure projects in the UK¹⁴. However, investors see construction as too high risk; Insurers regard the construction industry as too hot to handle. There's a lack of confidence in the industry at present. To help address this, there needs to be new funding mechanisms in place to attract private investment, particularly for collaborative contracting. Currently, the lack of a scalable investment model hinders deliverability of projects. The government is exploring the use of Public Private Partnerships (PPPs), as well as supporting the supply of private capital into UK infrastructure through other means such as the Mansion House Accord and establishing a new National Housing Bank.

¹² [UK Infrastructure: A 10 Year Strategy](#), HM Treasury, July 2025, p.30

¹³ [The Value Toolkit](#), Constructing Excellence

¹⁴ [UK Infrastructure: A 10 Year Strategy](#), HM Treasury, July 2025, p.33 et seq.

There needs to be greater consideration as to the legal and contractual models that support PPP. The previous PFI model (including PF2) and other iterations remain politically toxic – clarity is needed as to how the learning experience from other models, such as that used on the Thames Tideway Tunnel megaproject can be put into practice (and at pace). The role of government guaranteed support needs further articulation and with this how private finance models can be adapted to take account of the challenges in the construction market in terms of fluctuating costs.

The scale and long-term nature of the opportunity presented by the Infrastructure Strategy is significant enough to offer private capital high quality and sustained long-term returns, but this needs to be articulated clearly to investors. Launching a new Strategic Investment Opportunities unit within the Office for Investment, as well as highlighting opportunities through the Infrastructure Pipeline are steps in the right direction.



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Creating certainty in the pipeline is critical to the success of the Infrastructure Strategy

The construction industry needs certainty to make investment decisions. Without a certain pipeline, there is no prospect of attracting investment. Therefore, pipeline certainty is a key requirement for successful delivery of projects. Changes to the procurement law framework need to support this.

There were very strong views among attendees at the Roundtable that infrastructure needs to be “de-politicised” and must transcend the five-year election cycle. Historical periods of transformative infrastructure delivery have succeeded when freed from political interference.

For the current Infrastructure Strategy to succeed particularly in areas like housing where delivery feasibility is currently in question – visible progress must be made against the plan. By focusing initially on a one-to-three-year pipeline of plans, it would achieve “quick wins” and help build confidence and momentum.



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NISTA needs to be empowered to drive change

NISTA needs to have the oversight, the power and weight behind it to be able to drive momentum on projects. However, there also needs to be the proper checks and balances in place to ensure there is accountability of the organisation.

Better collaboration across government departments is essential for sharing knowledge and learning. The government intends to use the New Towns Programme as a basis for instilling close cross-government working but this approach needs to be adopted for all major infrastructure delivery initiatives. We need to work together as an industry to deliver across government, wider society, stakeholders and regulatory bodies.

Instilling confidence in construction and improving public perceptions is essential

The industry is an important enabling industry for economic growth: total seasonally adjusted construction output reached £225bn in 2024 in current prices with all new work construction output in the UK reaching a record high value of £138.8bn in 2023¹⁵. As a significant industry and contributor to GDP, its importance needs to be recognised. Major projects are a shop window for the construction industry and can cause disproportionate reputational damage when they aren't delivered to budget or on time. As an industry, we must reclaim the narrative around infrastructure and highlight the transformative impact of well-delivered projects on economic growth, social equity, and environmental outcomes. Creating a compelling argument in support of the industry is essential to sustaining political support and addressing the sector's skills crisis.



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Climate change and embodied carbon must be tackled by the industry

Climate change and embodied carbon is a serious issue and must be tackled directly by the industry. The Infrastructure Strategy rightly focuses on the clean energy transition to help achieve Net Zero. However, the Infrastructure Strategy does not deal with embodied carbon. Typically, some 60% of a new home's total carbon footprint is emitted before completion, according to The Future Homes Hub¹⁶. Construction products account for 50% of total emissions for a new home. If the industry is to reduce its carbon footprint, then "greening" supply chains through sourcing low-carbon alternatives will be necessary to drive down emissions.¹⁷



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¹⁵ Output in the construction industry reference tables May 2025, Table 4a, ONS

¹⁶ [New Homes Net Zero Transition Plan](#), Future Homes Hub, April 2025

¹⁷ [Businesses must prepare ahead of new UK carbon border adjustment mechanism](#), Pinsent Masons, June 2025

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