

# Positive macro-trends

Our service lines and sectors have attractive growth prospects that are underpinned by positive macro-trends, ranging from decarbonisation and the circular economy to the modernisation of the built environment and changes in the regulatory landscape.



£22bn

UK Infrastructure Bank fund

Link to business areas: ● ● ● ●

## Decarbonisation

Investment in public and private sector renewable energy projects has increased significantly in recent years. For example, the UK Infrastructure Bank is providing £22bn of infrastructure finance to tackle climate change and support regional and local economic growth.

According to the World Economic Forum, c.40% of all global carbon emissions come from the built environment.

In the UK, over 80% of commercial buildings do not currently meet the Minimum Energy Efficiency Standards required by 2030.

These regulatory requirements, alongside our customers' own Net Zero ambitions and appetite for modern and sustainable spaces, are creating a wave of demand for building modernisation and decarbonisation works that is expected to accelerate over the years ahead.

## Repurposing the electricity grid

The nation's energy infrastructure is becoming increasingly reliant on renewable sources, requiring substantial investment to modernise and upgrade the UK's Grid infrastructure and build sufficient storage capacity. To meet these needs, National Grid is investing up to £54bn in its infrastructure network by 2030.

£54bn

National Grid Upgrade Programme

Link to business areas: ●



£8bn p.a.

UK data centre investments

Link to business areas: ●

## Increasing data centre investment

The UK data centre market is expected to see investment of £8bn per annum by 2029 (Arizton). Major cloud service providers are expanding their UK data centre presence, with future growth being driven by the Internet of Things, high

performance computing and developments in Artificial Intelligence (AI). Additionally, the UK Government is actively promoting digital infrastructure through initiatives such as its national AI strategy, aimed at accelerating investment and positioning Britain as a global leader in this area.

## Evolving workplaces

We continue to see an increasing proportion of capital budgets being channelled into the redesign of workspaces, as organisations embrace hybrid working and focus on amenities, collaborative spaces, technology enablement, wellness and sustainability to attract and retain talent. According to the Building Controls Industry Association, the UK market for building control systems installations was worth £600m in 2023.

£600m

UK addressable market

Link to business areas: ● ● ●



Business areas

● Engineering Maintenance ● Security ● Cleaning & Hygiene ● Projects ● Waste ● Care & Custody



**£5.0bn**  
addressable UK market

Link to business areas: ●

### Private sector as first line of defence

Tragic events such as the Manchester Arena bombing have catalysed the forthcoming Martyn's Law legislation, which places the responsibility to protect public safety with business owners. Mitie has played a meaningful role in shaping this legislation and is proactively engaging with customers to develop and

implement security best practice, ahead of what is perceived to be the most significant piece of legislation to impact the industry in decades.

Simultaneously, the UK Government is increasingly outsourcing security services to the private sector. According to Frost & Sullivan, the security services market, excluding equipment, was worth £5.0bn in 2023.



**£880m**  
UK capital deployed

Link to business areas: ●

### Circular economy

The circular economy is a growing part of many of our customers' ESG agendas. It aims to keep resources in use for as long as possible, maximise their lifecycle value and reuse them at

the end of their useful life. According to BDO, £880m of capital has been invested in the UK circular economy in areas such as building retrofits, waste recycling and environmental advisory services.



**£75bn**  
increase in UK defence spend over next six years

Link to business areas: ● ●

### Increasing defence spending

The Ministry of Defence (MoD) has stated that the UK's defence capability must evolve from one designed for major conflict and war to one designed for permanent and sustained global engagement. The UK Government has announced

that it will increase defence spending to 2.5% of GDP by 2025, resulting in an additional £75bn invested over the next six years. The MoD has c.130,000 built assets in the UK and overseas territories. Around a third of the UK estate needs modernisation, while the wider estate must adapt to meet the sector's decarbonisation agenda.



**£3.3bn**  
annual cost of retail crime

Link to business areas: ●

### Increasing business crime

Rates of theft, fraud, insider threats and cyber crime have accelerated in recent years as a result of the cost-of-living crisis, among other factors. The retail sector has been particularly affected by this, alongside acts of violence and abuse towards shop

floor colleagues. According to the British Retail Consortium, the total cost of retail crime more than doubled year-on-year to £3.3bn in 2023. Mitie recently led the way in creating Pegasus, part of a new specialist police unit funded by retailers, to provide a national response to organised crime. Read more on page 21.

### Evolving response to immigration

According to the Home Office, more than 84,000 people applied for asylum in 2023 and more than 29,000 arrived in the UK by crossing the English Channel in small boats. With the continued high numbers of people arriving in the UK, immigration will remain a political priority requiring significant investment and further support from the private sector.

**29,000**  
small boat arrivals

Link to business areas: ●



### Growth in 5G

5G availability in the UK remains low, ranking 39th out of 56 advanced and developed markets according to Opensignal. We see pent-up demand for the deployment of new 5G infrastructure across the UK, the ongoing decommissioning of Huawei equipment and the Shared Rural Network initiative, a joint venture between the UK Government and the big four mobile network operators to provide 4G coverage to 95% of the UK.

**£1bn**  
addressable UK market

Link to business areas: ● ●

