

# Highways.

## The UK Highways Sector Insights Report

June - December 2025



# Executive Summary.

Over the past six months, the UK highways sector has experienced record investment and deal activity, underpinned by multi-year funding commitments. The government confirmed a £24billion roads budget for 2026–30, representing the largest boost in a generation and driving major project approvals across the country.

High-profile schemes were mainly concentrated in the North and Midlands, with Wales completing the £2billion A465 upgrade and Scotland beginning preparatory works on the A9 Tay Crossing-Ballinluig stretch. Local councils also increased maintenance budgets. Despite this activity, industry confidence is mixed, with CIHT noting a “battle for talent” amid a static workforce and low confidence in government project delivery.

Key trends show a shift towards multi-year, proactive investment, allowing highways companies and local authorities to plan long-term projects with greater certainty. National Highways’ next Road Investment Strategy (RIS3) is expected to focus on safety improvements, while environmental funding for walking, cycling, and bus networks continues to expand.

Challenges remain, including an aging workforce, skills shortages in engineers, project managers, and digital/green specialists, and inflationary pressures. Policy and political uncertainty has dampened industry hiring, though demand within highways projects remains strong, highlighting the need for strategic recruitment and workforce planning.

• K E Y F A C T •



**£24 billion\***

Roads Budget  
for 2026 – 31

\*Source: House of Commons, 23 July 2025, by DfT.

• K E Y F A C T •



**£2 billion\***

A465 Welsh  
Road Upgrade

\*Source: Welsh Government. (2025, June 11).  
One of UK’s largest road projects officially opens.

# Sector Breakdown.

## ➤➤➤ • Highway Construction

Major UK highways schemes advanced across England, Scotland and Wales, with major approvals including the Lower Thames Crossing, A66 upgrades, A9 dualling and multiple new bypasses.

Construction activity accelerated, driven by strong budgets, resilience priorities and major regional frameworks like Birmingham's £1 billion highways programme. The outlook is positive, with multi-year funding and a strong pipeline meaning contractors should continue investing in capacity as projects shift into delivery.

## ➤➤➤ • Highway Maintenance

Major long-term maintenance contracts surged, led by National Highways' £8 billion programme and multi-year county deals in Kent, Norfolk, Worcestershire and Suffolk, alongside increased local repair budgets. Despite short-term output volatility, the sector's outlook is strong, with sustained investment, proactive asset management, and growing emphasis on low-carbon materials driving long-term demand

## ➤➤➤ • Consultancy and Design

Demand is surging, driven by major framework wins like the £800m Eastern Highways Alliance and new National Highways strategic project appointments, alongside rising council consultancy tenders. The sector is growing rapidly, with high demand for engineers, digital design specialists and environmental experts, pushing firms to scale recruitment & invest in advanced design capabilities.

• K E Y F A C T •



Birmingham's

**£1 billion\***

Highways Programme

\*Source: Birmingham City Council has launched a new highways and infrastructure works framework worth around £1 billion over eight years.

• K E Y F A C T •



National Highways'

**£8 billion\***

Maintenance contracts

\*Source: National Highways launched the £8 billion M&R2 programme to maintain England's strategic roads.

# Sector Breakdown.



## ➤➤➤ • Traffic Management

Traffic management is increasingly focused on smart, data-driven solutions, with local authorities and National Highways investing in ITS, digital signage, and EV-integrated traffic schemes. This trend is driving steady demand for traffic engineers, control-room operators, and ITS specialists, supported by 5G and connected vehicle initiatives.

## ➤➤➤ • Technology & Smart Highways

Smart highways are rapidly adopting digital and AI-driven solutions, including connected vehicle trials, automated enforcement, and advanced traffic management systems. EV infrastructure, autonomous vehicle readiness, and innovative construction technologies are driving strong growth and creating recruitment opportunities in ITS, data, and engineering roles.

## ➤➤➤ • Local Authorities

The UK public-sector highways recruitment market has faced uncertainty due to shifting political priorities and variable funding, many councils are in the process or consolidating into combined authorities, despite this Local Authorities have continued to delivered essential services, outstanding schemes and routine maintenance to keep our network moving. This environment is creating selective demand for engineers, project managers, traffic specialists, and multimodal planners to support multi-year infrastructure, maintenance, and integrated transport programmes.



# Recruitment insights.



**"Demand continues to outpace supply as major projects ramp up"**

The highways workforce is largely static and struggling to grow, with CIHT warning of a shrinking talent pool and intensifying competition for skilled staff. Demand continues to outpace supply as major projects ramp up while fewer new professionals enter the sector, creating a widening skills gap.

## ➤➤➤ • Hiring Demand

Demand for highways hires remains strong, with vacancy rates well above pre-pandemic levels. The greatest shortages are in experienced civil/structural engineers, Transport planners, project managers, maintenance engineers and supervisors. High demand for skills like ITS, traffic signal design and modelling are also high on the list.

## ➤➤➤ • Confidence

Business confidence in the UK highways sector is cautiously positive, supported by funding certainty but tempered by price inflation and slow public-sector processes. While concerns over government project delivery and potential delays exist, most companies expect strong workloads to continue into 2026.

## ➤➤➤ • Salary Trends

Salaries in the highways sector rose modestly, with scarce roles like senior engineers and tech specialists seeing higher increases of around 3-5 percent. Overall pay pressures remain moderate, though employers are relying more on enhanced benefits, flexibility, and training to attract talent.

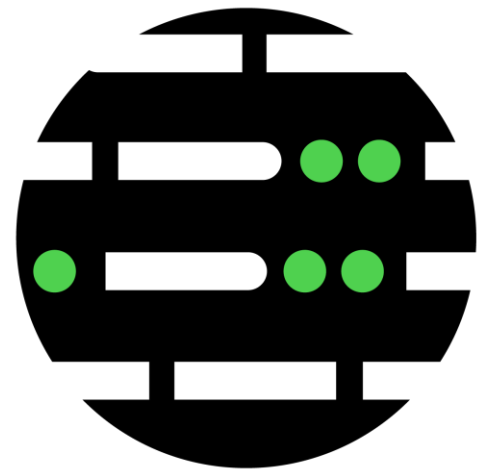
# Most in demand skills.

## Engineering Skills



Civil & Structural Engineers Highways  
Maintenance Engineer  
Geotechnical Engineers

## Digital & Smart Skills



ITS Specialist  
Traffic Modelling and Signals Digital  
Twin Modelling

## Operational Skills



Project & Programme Managers  
Site Supervisors  
Traffic Management

## Consultancy & Design Skills



Design Engineers  
Transport Planners  
Sustainability Specialists

# Regional Hotspots.

## ➤➤➤ • Growth Regions

Highways growth has been strongest in the North of England, the Midlands, and key Welsh and Scottish corridors, driven by major upgrades, junction improvements, and multi-year regional programmes. These regions are concentrating demand for engineers, project managers, and maintenance specialists as councils and contractors scale delivery across high-investment regions.



## ➤➤➤ • Declines or Slow Regions

Highways activity has been slower in several southern regions (including London), the South-West, and Northern Ireland, where new major schemes have been limited and investment focused mainly on routine maintenance. With fewer large projects coming forward, these areas are seeing softer recruitment demand compared to the high-growth northern and Midlands regions.



## ➤➤➤ • Hotspots

The Midlands (Birmingham, Derby, Notts, Staffordshire) and North (Greater Manchester, Leeds-Manchester-Hull corridors, Yorkshire) stand out for new works. Wales Valleys and South Wales benefited from record spend on the A465 and related network upgrades. Eastern England saw huge county deals (Norfolk £700m, Suffolk frameworks), while Home Counties were quieter in comparison..





# Recruitment recommendations.

**To succeed in the current UK highways market, companies must address skills shortages, workforce flexibility, and long-term talent planning. These recommendations highlight how strategic recruitment can help build the teams needed to deliver major projects efficiently.**

## ➤➤➤ • Plan

Check your long-term hiring strategies is essential as multi-year highways programmes demand stable, high-quality talent pipelines. Companies that plan ahead and build future-ready teams will be better positioned to deliver projects on time and stay competitive in a tightening skills market.

## ➤➤➤ • Partner

Amid intense skills shortages and growing project demands, partnering with a specialist highways recruitment agency is no longer optional but essential. The right recruitment partner delivers unrivalled access to niche talent, faster hiring, and strategic workforce support that gives companies a competitive edge and keeps their projects on track.

## ➤➤➤ • Protect and Progress

Protecting your current staff by improving retention through clear training and progression pathways is vital for securing future success, especially as the highways sector faces an aging workforce and growing skills gaps. Companies that invest in developing their people will keep valuable expertise, attract fresh talent, and build a resilient pipeline for the years ahead





# Conclusion.

## The UK Highways Sector

**The UK highways sector is entering a period of sustained growth and transformation, fueled by multi-year funding, major regional programmes, and rising demand for integrated transport solutions.**

Yet with skills shortages, political uncertainty, and uneven funding cycles, recruitment remains one of the sector's biggest challenges. To succeed, companies must plan future recruitment strategies proactively, partner with a specialist highways recruitment agency to access scarce technical talent and protect and develop their existing workforce through clear training and progression pathways. Organisations that combine these approaches with investment in digital capabilities, green technologies, and flexible workforce models will be best placed to navigate market pressures and capitalise on the opportunities ahead.

**Sam White** | Director - Highways

