# Building services firms at forefront of UK data centre boom



Building services contractors are emerging as key players in the UK’s rapidly expanding data centre sector, according to the Building Engineering Services Association (BESA). With mechanical, electrical and plumbing (MEP) services now accounting for over 60% of total project value, clients are increasingly turning directly to engineering firms to deliver complex, high-value builds.

Described by BESA as the “boom segment of 2024,” the UK data centre market has grown dramatically in recent years. Planning applications nearly doubled to £2.6 billion, driven largely by soaring demand for AI processing power. Industry forecasts estimate the sector will leap from £2.3 billion today to £1.1 trillion by 2030—highlighting its strategic and economic importance.

The South East and London remain focal points for new development due to their access to energy sources and undersea cable links. But mounting pressure on these regions is prompting expansion into other parts of the UK, aided by government infrastructure plans aimed at boosting regional growth.

Major investments are helping to fuel this surge. Amazon Web Services has committed £8 billion to UK data centres over the next five years, a move expected to add £14 billion to GDP and create over 14,000 jobs by 2028. The UK government is also classifying data centres that store sensitive data as critical national infrastructure, enhancing protections against cyber threats and digital disruptions.

Yet the pace of expansion is testing industry capacity. BESA Technical Director Kevin Morrissey warned of growing pressure on supply chains and skills. He called for urgent action to attract new talent and address an ageing workforce to ensure the industry meets rising demands.

Sustainability is a parallel concern. With AI intensifying energy and water consumption, firms are exploring heat recovery systems and heat networks to reduce environmental impact. The government’s strategy includes AI growth zones, increased public computing capabilities and plans for small modular nuclear reactors to maintain energy supply while meeting net-zero targets.

However, some projects face local opposition. In Abbots Langley, residents have raised concerns about the strain on community resources and environmental effects, underlining the need for better engagement and more sustainable design approaches.

Despite these challenges, the UK is well placed to lead Europe’s data centre construction market, which surpassed $11 billion in revenues in 2024 and is set to double by 2030. Growth will be especially strong in power distribution and cooling infrastructure—critical components of efficient, low-impact data centres. As roundtable chair Remi Suzan noted, building services contractors are central to delivering this digital infrastructure responsibly. With government support, private investment and industry expertise converging, the UK has a clear opportunity to lead on data centre innovation, sustainability and digital resilience.

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## Bibliography

1. <https://www.fmj.co.uk/boom-in-data-centre-projects-fuelling-building-services-growth/> - Please view link - unable to able to access data
2. <https://www.fmj.co.uk/boom-in-data-centre-projects-fuelling-building-services-growth/> - The article discusses the increasing role of building services contractors in leading data centre projects, as highlighted by the Building Engineering Services Association (BESA). It notes a significant rise in UK data centre development over the past five years, with projections estimating the market will grow from £2.3 billion to £1.1 trillion by 2030, driven by the expansion of artificial intelligence (AI). The piece also references Barbour ABI's report, which identifies data centres as the 'boom segment of 2024,' with planning application values nearly doubling to £2.6 billion. Additionally, it highlights the substantial contribution of building services, comprising up to 60% of the overall project value, positioning mechanical, electrical, and plumbing (MEP) providers as lead contractors. The article emphasizes the need for sustainable practices, such as utilizing waste heat from data centres, and addresses challenges like supply chain pressures and skills shortages in the industry.
3. <https://www.reuters.com/technology/amazon-invest-10-billion-uk-data-centres-2024-09-10/> - Amazon Web Services (AWS) has announced plans to invest £8 billion ($10.45 billion) in data centres across the United Kingdom over the next five years. This investment is expected to contribute £14 billion to the UK's GDP by 2028 and support over 14,000 jobs. The move responds to the growing demand for cloud services, particularly driven by advancements in artificial intelligence (AI). This announcement follows AWS's previous investments in London and Manchester since 2022, underscoring the company's commitment to expanding its UK infrastructure.
4. <https://www.ft.com/content/536965d5-d80f-417c-9ec6-b6dcac251a1b> - The UK government is set to classify data centres storing sensitive information as critical national infrastructure (CNI). This initiative aims to protect these centres from cyber attacks and IT disruptions by providing them with additional government support. A dedicated CNI data infrastructure team will be established to monitor threats and coordinate with security agencies like the National Cyber Security Centre. This move is part of a broader strategy to enhance the UK's digital infrastructure, spurring economic growth and reassuring investors. The government is also backing significant investments, such as a £3.75 billion data centre in Hertfordshire and an £8 billion investment by Amazon Web Services.
5. <https://www.reuters.com/sustainability/boards-policy-regulation/policywatch-uk-says-ai-will-super-charge-economy-will-it-scupper-net-zero-2025-01-23/> - The UK aims to leverage artificial intelligence (AI) to stimulate its economy while maintaining its net-zero emissions goal. Prime Minister Keir Starmer's plan includes creating 'AI growth zones,' boosting public computing power, forming an AI Energy Council, and proposing the development of small modular nuclear reactors to meet AI's energy demands. This initiative also emphasizes skills development and creating a National Data Library. The government predicts using AI and digital tools could boost public-sector productivity and save £45 billion. However, increased energy demands from data centres and AI could outpace the growth of renewable energy capacity, posing challenges to sustainability.
6. <https://www.apnews.com/article/fdb196e2dec8bdf18eab6b8a6a672cbd> - Residents of Abbots Langley, a village in England, are opposing a proposed data centre development, which was initially rejected but is under review by the government as part of economic growth reforms. They are concerned that the facility will strain local resources, damage the village's character, and have an environmental impact. The debate reflects a broader conflict between business interests and local concerns as data centres, driven by the AI boom, demand significant energy and resources. The British government views data centres as critical infrastructure to boost economic growth, but residents doubt the job creation promises and worry about the impact on the local power grid.
7. <https://www.grandviewresearch.com/horizon/outlook/data-center-construction-market/uk> - The UK data centre construction market generated a revenue of USD 11,275.3 million in 2024 and is expected to reach USD 21,671.7 million by 2030, growing at a compound annual growth rate (CAGR) of 12% from 2025 to 2030. The IT infrastructure segment was the largest revenue-generating segment in 2024, while the power distribution and cooling infrastructure segment is expected to register the fastest growth during the forecast period. The UK accounted for 4.7% of the global data centre construction market in 2024 and is projected to lead the regional market in Europe in terms of revenue by 2030.