Balfour Beatty's response to the Competition & Markets Authority's Civil Engineering Market Study Interim Report

Introduction

Balfour Beatty welcomes the publication of the Competition and Markets Authority's Civil Engineering Market Study Interim Report. We support the CMA's focus on improving delivery outcomes across the rail and roads sectors and fostering the conditions needed for sustained investment, innovation and productivity. We welcome the opportunity to contribute our views on the interim findings and their practical implementation.

Our response highlights the following priorities which, taken together, would strengthen market confidence, capability and performance:

Pipeline certainty: A stable, credible and funded multi-year pipeline of work, procured where possible on a programme rather than project basis, is the most critical enabler of investment, innovation and supply chain resilience. Clear sequencing and longer settlement periods give industry the confidence to plan, invest in skills and plant, and retain delivery capability at scale. Without this certainty, productivity-enhancing investment is fundamentally constrained.

Planning reform: Delays and uncertainty in the planning system continue to undermine pipeline confidence and slow delivery. Faster, more predictable approvals are essential to translating national ambition into deliverable programmes. The Planning & Infrastructure Act and wider government planning reforms represent a critical opportunity to reduce pre-construction risk, improve scope definition and enable earlier mobilisation of skills and resources. We are working with Government to support rapid and effective implementation.

Improving productivity across the sector: Improving productivity is essential to the long-term sustainability and competitiveness of the market. Fragmented funding, short-term procurement and project-specific commercial models can inhibit investment in modern methods, digital tools and workforce capability. Stable, programme-based pipelines would support sustained productivity improvement, reduce whole-life costs and strengthen delivery outcomes.

Procurement reform: Procurement models that prioritise lowest upfront cost over long-term value can discourage innovation and early investment. Approaches that enable early contractor involvement, reward productivity gains and balance risk and opportunity more effectively are better suited to delivering complex programmes efficiently and at pace.
Risk allocation

Appropriate allocation of risk: Excessive or poorly targeted risk transfer, particularly where scope is insufficiently defined, can reduce competition and inhibit investment. Risk should be allocated to the party best able to manage it, using proportionate and standardised contractual terms, to support market confidence and improve delivery performance.

Collaboration and early engagement: Early and structured engagement between clients, contractors and the supply chain improves scope definition, risk management and innovation. Embedding collaboration earlier in programme development supports more efficient use of skills, resources and capital across the market.

Innovation and regulation: Innovation is constrained less by capability than by short-termism, fragmented funding and regulatory complexity. Streamlined approvals, outcome-based standards and regulatory sandboxes would enable wider adoption of new methods and technologies, supporting productivity and long-term asset performance.

Capability building: Strong commercial, technical and programme capability within procuring authorities is essential to better outcomes. Intelligent clients are better able to manage complex programmes, allocate risk appropriately and support effective collaboration across the market. Greater capability-sharing would improve consistency and procurement quality.

Supply chain and SME participation: Administrative duplication, inconsistent accreditation and limited pipeline visibility create unnecessary barriers for SMEs. Greater standardisation and clearer frameworks would reduce friction, strengthen competition and support investment in specialist and regional delivery capability.

Taken together, these priorities would support a more sustainable, innovative and productive civil engineering market, capable of delivering rail and road programmes with greater confidence, efficiency and long-term value for the public.

Responses to the question set

Q1; Do you consider that we should be more concerned with barriers to firms expanding rather than barriers to firms entering the market in the first place? Are there other forms of barrier not mentioned in our analysis so far which are significant?

Yes. While barriers to entry and expansion share some common causes, the constraints are more acute and binding at the point of expansion, particularly for firms seeking to scale capability, capital intensity and risk exposure.

Entering the market can often be achieved selectively, for example through niche packages, subcontracting or limited framework participation. Expansion, by contrast, requires firms to make material, irreversible investments in people, systems, plant and balance sheet capacity, often ahead of revenue certainty. It is at this point that lack of pipeline certainty and adverse commercial models become decisive.

The binding constraint in the construction and infrastructure market is therefore the absence of credible certainty over workload, pipeline and commercial terms, which undermines the business case for scaling. We have consistently argued for longer-term, programme-based procurement and multi-client frameworks underpinned by funded, multi-year pipelines. These mechanisms de-risk investment in skills, capability, plant, modern methods of construction (MMC) and digital systems, and are essential if firms are to grow beyond their existing operating envelope.

Specific barriers to expansion we observe include:

- **Pipeline uncertainty:** Lack of committed spend and volume on frameworks, which are often used as extended pre-qualification rather than true routes to market. Firms must repeatedly rebid for work with no assurance of return on high bid costs or upfront investment. Well-structured, longer-term frameworks could reduce fragmentation, consolidate spend across clients, and provide the continuity needed to plan for growth. They also enable firms to capture lessons learned from previous contracts and apply them consistently, rather than repeating the same bidding exercises with limited institutional learning.

- **High and inefficient bidding costs:** Multi-stage mini-competitions, duplicative accreditations, and bespoke contractual clauses create disproportionate financial strain, particularly for firms seeking to scale. Coordinated frameworks could reduce the need for repeated bidding, lower administrative costs, and allow suppliers to focus on delivery, innovation, and capability development rather than procedural compliance.
- **Risk transfer and commercial models:** Excessive downstream risk allocation - often embedded in the way frameworks and contracts are structured by procuring authorities - constrains investment and disproportionately affects firms seeking to expand. Here, "downstream" refers to the allocation of risk from procuring authorities to Tier 1 contractors and, in some cases, further to subcontractors. This is a structural feature of procurement models, not a result of Tier 1 bargaining power. Firms expanding into larger, more complex work cannot absorb disproportionate risk without undermining financial sustainability, which discourages scaling and innovation.
- **Outdated contract forms and onerous terms:** Mandating legacy contract forms with more prescriptive and less collaborative terms can be a barrier to efficient delivery. [redacted]
- **Procurement scorecards that prioritise cost and risk minimisation over innovation or dynamism:** Contractors respond to the signals set by clients. Scoring frameworks rarely reward innovation, new delivery models or efficiency improvements, and are often inconsistent even within single organisations. Joined-up, programme-level frameworks could improve consistency, incentivise lessons learned, and allow performance to be assessed across multiple projects, increasing confidence for firms seeking to expand.
- **Skills and operational constraints:** In sectors such as rail, safe delivery in live operational environments requires significant upfront investment in systems, training, and experience. Procuring authorities understandably place heavy weight on proven track record and safety performance, creating a structural advantage for incumbents.

Winning such contracts may sustain a business for a decade but reduce visible bidding activity thereafter, appearing as reduced dynamism despite strong competitive outcomes.

What would enable expansion and competition:

- A **consistent, realistic, funded pipeline** with committed spend.
- Greater use of **Early Supplier Involvement**, enabling better scoping, planning, risk identification, access planning and early procurement of critical plant.
- **Frameworks with volume or programme commitments**, allowing Tier 1s to pass certainty down the supply chain.
- **Better procurement models** that balance safety, cost and delivery with incentives for innovation, capability building and long-term investment.

Q2; To what extent do you agree supply chain fragmentation contributes to poor outcomes? Besides pipeline uncertainty, what other factors drive preference to use subcontractors rather than building their in-house capacity?

Supply chain fragmentation is a structural feature of the construction market, but we do not consider it, in itself, to be a primary driver of poor outcomes. Fragmentation often reflects rational commercial and operational choices rather than inefficiency or market failure, and supports specialisation, competition and resilience.

Subcontracting is widely used to manage variable workloads across geographies and time, access specialist capability, and share delivery risk. In many cases, fragmented supply chains improve resilience and competition. For example, in the rail sector, specialist suppliers such as on-track plant providers operate across multiple Tier 1 customers and programmes, enabling them to justify significant capital investment while avoiding dependency on any single project or client. This applies equally in Highways in areas such as Traffic Management.
It is also important not to assume that Tier 2 and Tier 3 contractors can readily expand to deliver Tier 1 scope. Most SMEs are structured to operate sustainably as specialist subcontractors, and typically do not have, nor is it efficient for them build, the balance sheet capacity, programme management capability, compliance systems, risk appetite, and overhead required of a prime contractor.

That said, fragmentation can contribute to poorer outcomes in certain circumstances, particularly where it is driven by:

- **Transactional contracting models**, which multiply interfaces, dilute accountability and lead to margin stacking.
- **Late scope definition and change**, which increase rework and undermine productivity.
- **Assurance and compliance overhead**, often driven by regulatory and client requirements that cascade through the supply chain and disproportionately burden smaller firms.

The CMA's Interim Report links fragmentation to pipeline uncertainty and late scoping, which aligns with our experience, particularly on enhancement schemes subject to stop-start funding and evolving requirements. In these environments, contractors are understandably reluctant to invest in in-house capacity or early procurement.

Crucially, where programme certainty is higher, we see different behaviours. In alliance and integrated delivery models, Balfour Beatty increases self-delivery, commits earlier to off-site manufacture and reduces supply chain interfaces, improving productivity and outcomes (for example, the A14 Integrated Delivery Team and the Central Rail Systems Alliance).

Beyond pipeline uncertainty, other factors that drive reliance on subcontracting rather than in-house delivery include:

- **Framework breadth without volume commitment**, which discourages long-term capacity investment.
- **Capital expenditure aversion**, where uncertainty over utilisation and lack of client certainty make investment in specialist plant (for example, electric infrastructure equipment) and workforce skills uneconomic, creating a significant barrier to scaling in-house capacity.
- **Work pattern constraints**, such as weekend-heavy access in rail, which make permanent workforce models less viable.
- **Risk transfer practices -** Procuring authorities often allocate risk across all levels of the supply chain, capturing potential volatility in contracts from the outset. Tier 1 contractors then seek to manage these risks through their own supply chains, but this approach can limit shared ownership and investment, disproportionately affecting firms seeking to scale.

Poor outcomes arise when fragmentation is combined with uncertainty, late change and transactional commercial models. The solution is not vertical integration by default, but

programme-based contracting, earlier scope maturity, and rationalised frameworks that provide sufficient depth and certainty to justify investment, whether in-house or within the supply chain. Current policy moves toward a more coordinated, cross-sector approach to infrastructure planning, for example through the government's 10-Year Infrastructure Strategy and NISTA's developing infrastructure spatial tool, could also help industry identify where shared resources and capability investments will have the greatest impact. By improving visibility across sectors and geographies, this kind of strategic planning can support the emergence of geographical or sector-specific skills hubs, reduce fragmentation and help firms plan workforce and capability development across multiple clients and markets.

Q3; Are there specific procurement, policy, or regulatory barriers that reduce innovation and/or scaling opportunities in the market? What would make the most difference to firm's incentives to innovate, and public authorities incentive and ability to encourage innovation?

Yes. Despite strong policy intent, current funding, procurement and regulatory practices often inhibit innovation and scaling in practice.

A persistent barrier is **short-term, volatile funding and broader economic and political uncertainty**, which undermines confidence to invest in new methods, skills and technology. Innovation typically requires upfront cost and programme-level learning, but uncertainty over future workload, regulatory changes or shifting macroeconomic conditions prevents firms from recovering that investment over multiple projects. Where funding is fragmented or stop–start, proven but familiar solutions are rationally favoured over innovation.

Procurement models also continue to prioritise lowest upfront price over whole-life value and scalability. Evaluation criteria rarely reward productivity gains, low-carbon methods, digital capability or MMC in a way that meaningfully shifts behaviour. While the Construction Playbook and increased use of two-stage procurement and Early Supplier Involvement are positive steps, their application remains inconsistent and often too late in the process for innovation to influence outcomes.

A reformed planning system, which the Government has committed to delivering via the Planning and Infrastructure Act and other measures, is also essential to unlocking long-term investment, improving market dynamism, and supporting a more efficient pipeline of deliverable projects.

Cultural and regulatory risk aversion further reinforces this dynamic. Clients understandably tend to specify what they know, but this is compounded by slow, fragmented approval processes for new products and processes, which assess innovation on a project-by-project basis rather than enabling replication across programmes. This makes scaling innovation disproportionately costly and uncertain.

Policy and regulatory uncertainty also plays a key role. The introduction of the new Procurement Act has created short-term uncertainty, encouraging risk pricing and contingency allowances in bids. In the labour market, inconsistent application of IR35 and CIS rules distorts behaviour and reduces workforce stability, while increased HMRC enforcement activity, including new legislation from April 2026 on umbrella intermediaries, adds compliance burden and uncertainty for firms seeking to scale. Clear, well-communicated approaches to policy changes, including detailed guidance on implementation and practical execution, would give both firms and public authorities the confidence to invest, innovate and embed lessons across programmes.

What would make the most difference:

For firms, the strongest incentive would be credible, funded multi-year pipelines, combined with procurement criteria that explicitly value innovation, productivity improvement and whole-life outcomes at a programme level. The Procurement Act introduced flexibility for innovation to be introduced as an award criteria but it remains to see whether public authorities will use this opportunity. Guidance from Government may help encourage them to do so. Earlier and more consistent use of Early Supplier Involvement would allow innovation to shape scope, design and delivery strategies, rather than being introduced late and at risk.

For public authorities, the greatest impact would come from portfolio-based procurement, bringing similar projects together into programmes or frameworks with meaningful call-off volume, and from clearer, faster and more consistent approval routes for innovation. Greater confidence and clarity in the operation of the Procurement Act would also support more outcome-focused, less risk-averse procurement.

Overall, innovation is constrained less by capability or intent and more by uncertainty, short-termism and procurement models that reward familiarity and lower costs over improvement. Aligning funding, procurement and regulation around long-term value and programme delivery would materially change incentives on both sides of the market.

Q4; For what type of projects is there greatest scope for the accuracy of upfront scoping and planning to be improved to aid delivery on time and on budget? What would help to make upfront scoping and planning more accurate?

All types of capital projects benefit from strong upfront scoping and planning. Spending time in the preconstruction phase helps identify risks, optimise delivery solutions, and improve the likelihood of completing on time and on budget. For this to be effective, clients and their advisors need to engage a main contractor and key supply chain partners early, and the delivery team must have the right skills and experience to operate effectively before construction begins.

The greatest payoff from early contractor involvement is seen in complex enhancement projects, such as major road schemes, station or route upgrades, and rail enhancement works. These projects involve multiple interdependencies, stringent regulatory requirements, and tight timelines, often requiring over 52 weeks of lead time to secure access, specialist plant, and critical resources. Accurate early planning in these cases is particularly valuable to manage scope, systems integration, and interdependency risks across multiple supply chain partners.

Short-cycle local road programmes also benefit from early engagement, but for different reasons. Although these projects typically operate on annual delivery cycles, early contractor involvement helps optimise programme efficiency, resource allocation, and material procurement, reducing disruption and improving value for money across a high volume of smaller schemes.

Improving upfront scoping and planning can be achieved through:

- Mandating early contractor and supplier engagement (Early Supplier Involvement, ESI): Enables early identification of constructability challenges, ground and utility risks, logistical constraints, and interdependency issues, while maintaining competitive procurement through appropriate guardrails. This early engagement also gives all tiers of the supply chain the opportunity to plan and invest in new technology and plant,

which drives efficiencies, improves utilisation, and supports innovation across the programme. This is particularly critical for complex programmes, including rail schemes with long lead times for plant and access.
- Using programme-level playbooks and benchmark data: Shared cost data and lessons learned help calibrate budgets, adjust optimism bias, and enable more informed decision-making.
- Focusing the ESI stage on outcomes rather than detailed inputs: A structured early stage can deliver:
    - Comprehensive, optimised project scopes, including value engineering and value management.
    - Early identification of long-lead procurement items and recommendations for advance procurement to protect the programme.
    - Optimised staging plans and deconfliction of trade contracts.
    - Overall programme development incorporating input from Tier 2 and Tier 3 suppliers.
    - Constructability advice integrated into design to reduce rework, improve productivity, and shorten delivery timelines.
    - Realistic risk identification and management.
    - Opportunities for standardisation, mechanised delivery, and off-site manufacture to improve quality and efficiency.
    - Applied examples: In National Highways' Regional Delivery Partnership (RDP), Balfour Beatty and our design partners are engaged early enough to optimise the design and focus on achieving outcomes — or "scheme high-level requirements" in National Highways terminology — rather than specifying detailed inputs.

Two-stage delivery approaches, such as the SCAPE framework widely used by public authorities, demonstrate that formalising early engagement and structured preconstruction planning can significantly improve project predictability, delivery performance, and value for money.

Q5; To what extent do you agree that early contractor involvement could be used more effectively, and how can this be facilitated?

We strongly agree that early contractor involvement (ECI) (we also use the term Early Supplier Involvement or ESI) could be used more effectively - indeed, it is underutilised relative to best practice in other parts of the construction and infrastructure sector. Early engagement and collaborative models allow delivery teams to focus on setting projects up for success rather than protecting contractual positions. This has been shown to improve predictability, cost confidence, and client satisfaction; for example, customer satisfaction outcomes on SCAPE-delivered projects consistently outperform comparable traditionally procured schemes. The key to unlocking the benefits of ECI is education and upskilling of clients and supply chain teams so they understand the value of early engagement and are confident in adopting a collaborative approach.

We support wider, more transparent ECI through practical measures, including:

- Clear market guidance and notes.
- Multi-supplier clinics to explore design and delivery challenges collaboratively.
- Documented design changes during the engagement phase.
- Maintaining 'clean lines' to preserve fairness at ITT.

Structured ECI can be adopted in a way that safeguards competition, for example multi-party technical clarifications with published outputs. Such approaches demonstrate that early engagement can be both feasible and fair, while maintaining transparency and equal treatment of suppliers.

To fully realise the benefits of ECI, we believe it should be closely aligned with the Project 13 Principles, ensuring that collaborative, outcome-focused approaches are common practice and that contractors are engaged from the earliest stages of project concept, brief development, and design.

The Construction Playbook, which public authorities and arms-length agencies should apply on a comply-or-explain basis, provides a strong foundation for ECI. To maximise its effectiveness, these principles would benefit from consistent reinforcement and practical application across public authorities, helping ensure that early engagement becomes routine, fair, and structured.

Effective early involvement enables all tiers of the supply chain to contribute constructively, plan and invest in technology and plant, and influence outcomes rather than inputs - delivering safer, more efficient, and more innovative projects while supporting whole-life value, carbon reduction, and SME participation.

The Procurement Act introduced a new requirement for public authorities to publish a preliminary market engagement (PME) notice setting out details of market engagement undertaken. While PME was permitted under the previous regulations, early indications suggest that the formalisation of this requirement is providing suppliers with greater opportunity to contribute views on a procuring authority's approach, including highlighting the potential benefits of early contractor involvement (ECI) and sharing relevant lessons learned from previous procurement exercises, while continuing to support transparency and a level playing field between suppliers.

Q6; To what extent do you agree that the design and use of procurement frameworks could be improved?

Frameworks are an important and cost-effective mechanism for delivering value for money without re-tendering every project, and when used well they drive innovation and efficiency. Their success, however, depends on disciplined, consistent application, minimising duplication, and, critically, being supported by a committed, fully funded workbank.

We broadly agree that there is scope to improve the design and, in particular, the use of procurement frameworks. In our experience, the frameworks themselves are generally well-designed and align with the principles of the Construction Playbook; however, inconsistent application by clients, and the large number of overlapping or competitive frameworks covering similar scope or regions, can undermine their effectiveness.

A common issue arises where clients seek to define a scope they believe to be affordable and deliverable, appoint a contractor through a framework, and only later discover that the defined scope cannot be delivered within the available budget or programme. This results in inefficiency, delay, and avoidable cost for all parties, and reflects a misunderstanding of the role frameworks are intended to play in enabling early engagement, collaboration, and informed scope development.

We support the Interim Report's diagnosis of overlap between frameworks, which reflects our experience of abortive costs when anticipated pipelines do not materialise or when multi-stage

call-off processes replicate the effort and expense of open competition. Overlapping frameworks can fragment available funding and pipeline work, and their scopes are often unnecessarily narrow, limiting flexibility and efficiency. Broader frameworks, combined with fewer competing frameworks capable of delivering similar work, would reduce duplication, improve efficiency, and give the market greater confidence to invest in skills, capacity, and innovation. Rationalisation would therefore be beneficial, alongside clearer guidance on proportionality and consistent use.

Specifically, we would support:

- Fewer, better-scoped frameworks underpinned by committed, funded pipelines to provide confidence for supplier investment in skills, innovation, and supply chain capacity. Frameworks should be designed with specific procuring authorities in mind to align the best-placed suppliers and ensure the appropriate number of suppliers is appointed relative to anticipated workload. Too many suppliers can dilute the benefits of a programmatic approach and prevent effective coordination across the supply chain.
- Frameworks designed to encourage feedback, continuous improvement, partnership and collaboration, and incentivisation to perform well collectively across the framework. The Sellafield PPP model provides a strong example of how such frameworks can deliver better outcomes.
- Greater use of open or dynamic frameworks to allow capable new suppliers to enter mid-term, maintaining competitive tension and supporting innovation.
- Clear principles on proportionality, including limits on mini-competition requirements relative to call-off value, page limits for submissions, standardised data packs, and avoidance of unnecessary re-papering of core terms and conditions. Limiting the scope of mini-competitions avoids effectively running a full tender for opportunities, reducing time and cost with no added value.
- Flexibility to award and price ECI or early work under a framework, as current restrictions can add time, cost, and delay delivery. Many public frameworks are not linked to any commitment to spend or volume, making it difficult for supply chains to invest in people, technology, innovation, and plant. A framework that provides a level of commitment would directly support growth and investment throughout the supply chain.

Integration with the new Procurement Act 2023: While the Act has tightened controls around direct allocation, clearer guidance and more readily available support from the Government Commercial Function can help procuring authorities use frameworks effectively, including where direct allocation is appropriate. Well-communicated, proportionate processes under the Act – supported by objective criteria for partner selection – can reduce the cost and delay associated with tendering while still preserving competitive integrity.

Q7; How can open competition be made less resource intensive as a method of procurement?

Open competition can be made significantly less resource intensive by refocusing procurement on the selection of the best organisation and delivery team, rather than requiring bidders to expend disproportionate effort on detailed design, programme development, and pricing exercises that often are not what is ultimately built.

Greater standardisation and digitisation would materially reduce bid costs for both clients and suppliers. Cross-authority standard templates, common data environments, and “once-only” supplier data submissions would remove unnecessary duplication and align with the CMA’s

recommendation on standardising procurement administration processes. This could be complemented by phased procurement gateways, with slim initial submissions supported by evidence libraries, and structured debriefs so learning and feedback translate into higher-quality future bids. We had understood this was the intention behind the launch of the new Central Digital Platform in connection with the Procurement Act but have not seen the expected simplification or standardization of pre-qualification submissions expected.

A further opportunity lies in reducing repeated requests for similar information across procurement stages. Market soundings, pre-qualification questionnaires, and Invitations to Tender frequently seek overlapping information with only minor variations, creating significant and avoidable resource burden. Where possible, this should be consolidated into a single process, drawing from a pool of pre-approved or previously assessed suppliers, with greater reliance on supplier information available on the Central Digital Platform.

Where open competition is considered the most appropriate route, the information requested should be tightly aligned to the maturity and needs of the specific project. This typically includes:

- A project-specific programme and planning narrative
- Construction methodology appropriate to the scope
- A clear organisation chart with key personnel and relevant CVs
- Assessment of collaborative behaviours
- Pricing and risk allocation approaches that reflect the level of scope definition

Q8; Where is the greatest scope to improve the evaluation of non-price aspects of bids, such as quality? How can this be better supported and enabled?

The greatest scope to improve the evaluation of non-price aspects of bids lies in ensuring that quality assessments are tightly focused on the elements of service that the procuring authority genuinely values, and that scoring frameworks both reward the delivery of those requirements and meaningfully differentiate between bidders. Too often, quality criteria are broad or generic, leading to limited discrimination and reducing confidence in outcomes.
Greater emphasis and rigour should be placed on quality, innovation, and wider value, supported by improved capability within evaluation teams. As recognised by the CMA, procuring authorities can struggle to assess areas such as social value and innovation consistently. This can be addressed through targeted assessor training, the use of calibrated and transparent scoring rubrics, and, where appropriate, access to central pools of trained assessors or external specialists. Approaches such as weighted value-for-money indices, already explored by bodies such as National Highways, can help make trade-offs between price and quality clearer and more defensible. While, including structured commercial management questions has also proven effective in minimising opportunities for commercial ‘gaming’. Post-award verification of commitments can also reduce the risk of “promise inflation” during bidding.

Quality evaluation is most effective when bidders are asked only for information that is scheme-specific and demonstrably value-adding. Typically, this should focus on:

- Organisation structure and key personnel, supported by relevant CVs
- Collaborative and behavioural capability, aligned to project outcomes
- Construction methodology appropriate to the scheme
- Programme, supported by a clear planning narrative
- Pricing approaches that are commensurate with the level of design and scope development

Clear limits on submissions from the outset, such as page or word counts for each section, together with a transparent scoring basis and an overall scoring matrix showing the relative weightings, help to improve clarity, reduce unnecessary effort, and support consistent evaluation.

Finally, quality outcomes are enhanced when bidders are given sufficient time to develop well-considered proposals, and when procurement timetables are planned to avoid periods of predictable resource constraint, such as peak holiday seasons. This supports better engagement from delivery teams and leads to higher-quality, more deliverable bids.

Q9; What factors are most likely to cause significant risks to be misallocated between the procuring body and supply chain, and within the supply chain? How could this be addressed?

We are seeing a more mature approach to risk allocation from clients who have moved away from price-driven, single-stage procurement. However, a significant number of procuring authorities continue to procure complex schemes on this basis, attempting to transfer existing condition and third-party risks during the tender process. This approach typically results in inflated pricing, increased contingency, or delayed delivery rather than genuine risk transfer.

Significant risk misallocation most commonly arises from immature or poorly defined scope, constrained or annualised budgets, and overly risk-averse procurement approaches that attempt to transfer unmanageable risks to the supply chain. In practice, this can manifest in several ways:

Key causes of risk misallocation:

- Lack of knowledge or failure to quantify or understand risk. Early contractor involvement (ECI) helps reduce this impact. For example, contractors can carry out ground condition surveys during the ECI period, enabling both client and contractor to agree a fair and effective allocation.
- Incomplete or inadequate design, client brief, or project scope.
- Concept design compliance requirements imposed on incoming designers who were not involved at the early stages.
- Lack of meaningful market engagement before procurement commences, or procurement processes restricted to portal-based correspondence rather than interactive engagement.
- Heavy Z clause amendments (bespoke contractual changes to standard forms) that shift unmanageable risks - such as ground conditions, utilities, or third-party approvals - to contractors.
- Uninformed or non-project-specific positions on risk transfer, such as requiring contractors to accept responsibility for client documents, which can lead contractors to build in additional time and cost to rework information unnecessarily.
- Clients not drawing on professional guidance or lessons learned from previous schemes, either from repeat procurers or broader industry experience.
- Fragmented accountability arising from overreliance on external consultants by clients, where risk decisions are delegated rather than owned by the client.

These factors lead to inflated pricing, under-pricing followed by disputes, supply chain instability, or suppliers opting not to bid. Misallocated risk also inhibits innovation, reduces efficiency, and undermines value for money.

Addressing risk misallocation:

- Risk allocation and pricing mechanisms should reflect the maturity of the scheme and be informed by meaningful market engagement. Lump-sum pricing is appropriate only where design and scope risks have genuinely been retired; where uncertainty remains, target cost or cost-reimbursable models with pain/gain share are more effective. Payment mechanisms should focus on delivery of defined outputs and performance, rather than simply transferring risk.
- Standardising contractual positions, limiting excessive or bespoke Z clause risk transfer, and adopting model positions for commonly contested risks reduces friction and improves bid quality.
- Attention must be paid to cascading risk through Tier 2 and Tier 3 suppliers, recognising that not all main contract terms can flow down due to scale, scope, or capability.
- Early contractor and supplier involvement (ECI/ESI) should be embedded to allow the supply chain to identify and manage risk collaboratively, optimise design, plan and invest in technology and plant, and ensure fair and effective allocation of complex risks.
- Clients and procuring bodies should maintain awareness that some risks must remain with them as commissioners. A pragmatic, educated, and structured approach to risk allocation improves outcomes, encourages innovation, and supports sustainable value for money.

Q10; What are the areas of regulation which are preventing opportunities for innovation and effective competition?

The primary areas of regulation limiting opportunities for innovation and effective competition relate to the timing and prescriptiveness of procurement and approval processes. Over-interpretation of procurement policy often delays the appointment of the delivery team until after scope, budget, and programme have been set. By this point, opportunities to explore alternative solutions or innovative approaches are missed, and competition focuses largely on price for a defined scope rather than the best overall solution. Developing innovative solutions can be expensive, so the effectiveness of open competition is closely linked to the considerations set out in our response to Q7.

Regulatory frameworks also contribute to cost and delay pressures. Current assessments of cost drivers typically omit the impact of regulatory requirements, such as planning conditions, environmental surveys, and multi-agency consents. Lengthy, duplicative, or highly prescriptive approvals, particularly those associated with new technical standards or complex environmental consents, further constrain innovation by raising fixed costs and slowing delivery.

To address these issues, we support:

- **Fast-tracked approvals**, including the recognition of reference-class data and international precedent to reduce repetitive evaluation and accelerate decision-making.
- **Outcome-based rather than process-prescriptive standards**, alongside the introduction of regulatory sandboxes for civil engineering methods and products, enabling innovation to be tested and deployed safely within a structured framework.

Additionally, there is a skills dimension: successful innovation requires procuring authorities to establish effective steering boards and collaborative decision-making frameworks. Where

these are absent, schemes often “reinvent the wheel,” with repeated debates on strategy, priorities, and evaluation criteria that could otherwise be resolved efficiently. While innovation is regularly delivered on projects, it is not always aligned with client or governmental perceptions of what constitutes innovative practice, which can limit recognition and adoption of effective solutions.

Overall, regulatory and procurement practices should be designed to enable early engagement of delivery teams, focus on outcomes rather than processes, and provide a clear framework for collaborative decision-making. This approach would support both effective competition and meaningful innovation while maintaining appropriate safeguards.

Q11; What are the areas of regulation which are preventing smaller suppliers from competing effectively (or from scaling up to be able to compete effectively)?

From our perspective as a Tier 1 delivery partner, a number of regulatory and structural factors currently constrain smaller suppliers from competing effectively or scaling up. However, there is also often an implicit expectation that smaller firms have the capability and resilience to deliver high-value public sector contracts directly, or that it is efficient for clients to contract with SMEs without intermediary support. In practice, we believe it is more effective for Tier 1 contractors to engage SMEs, provide support, and create opportunities for growth within a structured supply chain. Tier 1s are uniquely positioned to aggregate demand across projects, standardise processes and requirements, and provide the governance, commercial assurance, and pipeline visibility that enables SMEs to scale sustainably while reducing delivery risk for clients.

- As clients seek to reduce their own costs and operate “thin” they often lack the capacity and capability to manage SMEs effectively. This can import risk into their operations and is a further reason why Tier 1 contractors are best placed to manage SMEs.

- Complexity of contracts, particularly the introduction of bespoke Z clauses, often leaves SMEs unable to understand their level of risk. Effective risk allocation is therefore critical in determining whether SMEs can pursue work at all. Client commitment to spend and volume is essential, as it allows Tier 1 contractors to flow that certainty down to the supply chain.

- A significant barrier arises from accreditation sprawl and inconsistent recognition across procuring authorities. Smaller suppliers face duplicated audits and administrative burdens that they cannot amortise across limited workloads, constraining their ability to compete. Consolidated, cross-recognised accreditations with transparent membership conditions would materially reduce these barriers.

- Other structural issues linked to regulation or procurement design also affect SMEs. Many frameworks provide no commitment to spend or pipeline visibility, limiting the ability of Tier 1 contractors to flow work down.

- Fluctuating workbanks, late cancellations, and uneven scheduling (for example, weekend-heavy workloads in rail) further undermine SMEs’ ability to plan and invest in skills, plant, or equipment, particularly in specialist sectors such as the RRV market.

- It is also important to recognise that most smaller suppliers are not necessarily seeking to enter spaces traditionally occupied by Tier 1 contractors, given the skills, financial capacity, and risk exposure required. In this sense, the barrier is not always regulatory,

but the way frameworks and contracts are structured can amplify the challenge for SMEs to operate sustainably and grow.

From a Tier 1 perspective, regulation and procurement should focus on reducing administrative duplication, improving pipeline visibility, and enabling Tier 1 contractors to support SME participation. This creates a more competitive and resilient supply chain without exposing SMEs to unmanageable risk.

Q12; To what extent do you agree there is excessive risk aversion in public authority decision making? Where risk aversion is too high, what would help to move it to more appropriate levels?

We agree that risk aversion in public authority decision-making can be excessive. This can be driven by funding volatility, fear of litigation, and the optics of accountability, as well as concerns over demonstrating value for money and managing the perceived risks of innovation. This risk aversion often manifests in attempts to transfer unmanageable risk to the supply chain, which cannot directly control it. The consequences include inflated offers, protracted negotiations, delayed contract awards, failed procurement events, and, in some cases, later commercial disputes during delivery.

This risk aversion can be reinforced by reliance on external advisors whose priorities may not always be fully aligned with delivering practical, innovative outcomes. Where client teams lack the skills or leadership capability to manage complex schemes, risk-averse decisions can be compounded. There is sometimes limited recognition of previously agreed contractual conditions, resulting in repeated renegotiation rather than using these as a baseline. Similarly, the overuse of Z clauses to shift risk to the supply chain in circumstances where they are not best placed to manage or price it adds unnecessary complexity and cost.

From our perspective, risk can be “right-sized” through a combination of funding, governance, and capability measures:

- **Credible, multi-year budgets** to reduce uncertainty and enable planning and investment.
- **Codified “innovation with safeguards”**, including pilot scopes, proof-of-concept approaches, and pre-agreed success metrics, to allow innovative delivery without exposing the supply chain to unmanageable risk.
- **Strengthened commercial capability** within client teams to evaluate novel approaches, assess risk realistically, and make informed decisions.
- **Aligned standard terms and conditions**, using minimal bespoke amendments limited to genuinely event-specific issues, to provide a stable and predictable contractual foundation.

Encouraging early engagement and greater collaboration between clients and delivery teams also helps clients understand and manage risk more effectively, leading to better-informed decisions and improved project outcomes. From a Tier 1 perspective, these measures would reduce unnecessary risk aversion while maintaining appropriate safeguards.

Q13; How would you rank the relative importance of our proposed measures?

From Balfour Beatty’s perspective as a Tier 1 delivery partner, the proposed measures vary in their relative impact on competition, innovation, and delivery outcomes. Our experience indicates that the most significant levers are those that provide pipeline certainty, targeted

procurement, and standardised risk allocation**,** as these enable both investment and effective engagement across the supply chain.

1. **Pipeline certainty and credible long-term funding** – This is the foundational enabler. Extending multi-year capital settlements to all procuring authorities and publishing a consolidated, regularly updated UK-wide project pipeline with credible information gives both Tier 1 and supply chain partners the confidence to invest in skills, plant, and innovation. Without this certainty, other measures have limited effect.
2. **Selective and effective use of procurement frameworks, and standardisation of administrative processes** – Frameworks are most effective when targeted to specific portfolios with confirmed, funded pipelines and minimal overlap. However, the proliferation of overlapping frameworks, often operated as revenue-generating vehicles rather than true routes to market, can fragment pipelines across multiple procurement routes. This reduces visibility of future workload and undermines the ability to plan and deliver at scale, diluting the benefits that frameworks are intended to provide.
3. **Procurement authority capacity and capability building** – Sustained investment in client skills, leadership, and commercial capability is essential to enable smarter scoping, evaluation, and risk management. Cross-authority pooling of expertise can support procuring authorities with limited resources, but only if governed strategically and consistently. We caution against relying solely on shared cost/performance data, as definitions and context vary and may drive counterproductive behaviours.
4. **Risk allocation standardisation** – Right-sizing risk allocation and linking contracting models to scheme maturity reduces disputes, prevents perverse pricing, and protects smaller suppliers. While bespoke risks are inevitable, applying consistent principles, informed by market engagement, ensures contracts are deliverable and commercially sustainable. We are increasingly seeing a shift away from lowest-price, single-stage procurement towards two-stage models, cost-reimbursable or target cost arrangements, and mechanisms such as base profit plus earned profit. These approaches support sustainable pricing, more appropriate risk allocation, and better value for money by reducing defensive pricing and minimising post-contract administration and dispute. Where applied well, they also enable scope, programme, and budget to be set with greater confidence before entering delivery.
5. **Regulatory streamlining and accreditation consolidation** – Simplifying approvals, eliminating non-value-adding processes, fast-tracking regulatory consent for innovation, and consolidating supplier accreditations all support efficiency and innovation. These measures are valuable but most effective when combined with credible pipelines, targeted frameworks, and empowered procuring authorities.
6. **Greater use of ECI/ESI** – Early contractor engagement is a high-value measure, particularly where innovation and complex delivery are involved. Structured ECI/ESI, with proportionate returns and low-risk early fees, reduces optimism bias, enables more accurate scoping, and improves alignment between client expectations and delivery teams.

These measures create the conditions for sustainable investment, innovation, and meaningful competition, while regulatory simplification, authority capability building, and early engagement are complementary enablers.

Q14; Are there alternative important measures that we do not mention?

From a Tier 1 perspective, several additional measures could materially enhance innovation, competition, and value for money, which are not explicitly addressed in the consultation:

- **Strengthening client capability:** Invest in training and development for procuring authority teams to reduce over-reliance on external consultants. When design or project management advisors overreach into client-side roles such as Project Management or Quantity Surveying, it can undermine decision-making and limit the opportunity to leverage delivery partner expertise. Building internal skills ensures more informed, commercially aware, and strategically aligned decision-making. Developing more mature client models, team structures, and organisational designs is a key enabler of this. Capability building must also recognise the behavioural and cultural shift required on both the client and supply side. Poor procurement practices have historically driven defensive behaviours and commercial gaming. More mature client leadership, combined with transparency and pragmatism, enables delivery partners to move away from these behaviours and make decisions that are genuinely "best for project".
- **Industry-led capability building** – Industry bodies such as the Construction Leadership Council and Constructing Excellence could play a stronger role in rolling out practical training, coaching and peer-learning programmes for public authority teams. Focused support on project leadership, collaboration, programme management and commercial decision-making would help accelerate adoption of best practice, build confidence in early engagement and collaborative models, and reduce reliance on overly defensive procurement behaviours.
- **Encouraging Project 13 principles and early contractor involvement (ECI/ESI):** Embedding these principles ensures contractors are brought forward into early project concept development, brief creation, and design work, which drives innovation, reduces risk misallocation, and improves constructability.
- **Programme-level contracting and mentality:** Multi-asset, multi-year contracts with clearly defined learning curve targets and transparent cost benchmarking can incentivise efficiency and continuous improvement across portfolios, rather than focusing solely on individual projects. Adopting a programme, rather than project-led, mindset is particularly important for national-scale or complex programmes.. Aligning objectives and facilitating appropriate contract structures, such as alliancing models, avoids "person marking" and gives confidence that the best delivery partner is appointed based on capability rather than prior relationships. This approach allows the supply chain to invest in skills, plant, and digital capability, knowing there is a predictable flow of work and performance can be assessed consistently.
- **Common data environments and national benchmarking:** Standardised data on cost, productivity, and carbon performance would improve both bid evaluation and post-award performance management. Transparent benchmarking enables more effective assessment of value for money, encourages innovation, and provides a basis for continuous improvement across projects and sectors.
- **Supplier development and co-investment mechanisms:** National-level funds or co-investment structures (for example, via a development bank) could support Modern Methods of Construction (MMC), digital adoption, and other innovation initiatives that deliver portfolio-level benefits but may not be viable on the basis of a single project's business case. These mechanisms would allow SMEs and Tier 1 contractors to scale innovation sustainably.

Overall, these measures focus on building client capability, embedding programme-level thinking, providing portfolio-level certainty, and enabling the supply chain to innovate and invest. They complement the measures already proposed in the consultation and support a more efficient, collaborative, and outcomes-focused infrastructure market.

Q15; What would be the feasibility and impact of extending multi-year capital funding to public authorities currently operating on year ahead budgets only?

Extending multi-year capital funding to public authorities currently operating on year-ahead budgets would have a significant positive impact. Annualised funding creates well-known inefficiencies, including the rush to spend remaining budgets before the financial year-end and the inability to carry over unspent funds, which acts as a barrier to sensible project planning and delivery.

Multi-year settlements would enable public authorities to take a longer-term view across their programmes, engage delivery teams earlier, and maintain continuity across project lifecycles, rather than the current "salami slice" approach. This would directly support ECI, more consistent programme management, and the ability for suppliers to invest in skills, plant, and self-delivery capability. It also allows longer-term social value initiatives such as workforce development, community engagement, and sustainability measures, to be built into programmes in a more meaningful and coherent way, rather than being constrained by single-year budgets.

Feasibility is demonstrated by existing precedents such as Road Investment Strategies (RIS) and Control Period (CP) cycles, which operate successfully on multi-year funding. Evidence from the CMA and the CIHT[1] indicates that moving local roads and devolved systems from annualised to multi-year settlements yield measurable efficiency gains and maintenance cost savings.

From a Tier 1 perspective, multi-year capital funding is a high-impact measure that underpins smarter planning, better value for money, and more effective use of supply chain capability.

Q16; What information currently not available in published infrastructure pipelines would be most helpful to firms? How would this information change business decisions on resource allocation and/or investment?

From a Tier 1 perspective, the most valuable additional information in published infrastructure pipelines would be project- and programme-level detail that enables firms to make informed investment and resourcing decisions. This includes, for each project:

- **Funding status and certainty** – clarity on whether budgets are confirmed and multi-year commitments exist.
- **Intended procurement route and timelines** – understanding how and when projects will be procured.
- **More detailed and certain scope** – the level of design and specification development to anticipate risk and resource needs.
- **Planning and consents status** – insight into approvals that could affect delivery timing and adoption of a 'no surprise' culture.
- **Contracting strategy** – including pricing model and risk allocation principles.
- **Client drivers and project success factors** – understanding the overarching objectives and measures of success for each scheme helps delivery partners make aligned, informed decisions.

[1] https://www.ciht.org.uk/news/ciht-encourages-uk-government-to-unlock-savings-of-up-to-22bn-for-local-road-maintenance-in-autumn-budget

- **Transparency and honest debate** – visibility of risks, constraints, and uncertainties encourages collaboration, enables constructive challenge, and supports realistic planning and outcomes.

Ideally, this information would be consolidated in a single, UK-wide view, with regular refreshes to maintain accuracy. This aligns with the CMA's recommendations (Table 2.1) and Balfour Beatty's previous advice to expand NISTA's pipeline coverage and granularity.

Infrastructure pipelines alone do not create an investable proposition for labour and plant, which are high-cost, long-lead assets. Firms will only commit resources if there is confidence in the delivery of projects, including certainty of timing, funding, and clarity on expected outcomes. With this information, companies could allocate labour, equipment, and capital efficiently, optimise training and recruitment, and invest in innovation and capacity with greater confidence.

Q17; How would the commercial and engineering capabilities within procuring authorities be better utilised? What could be done to better support procuring authorities to develop, recruit and retain these specialist skills, expertise and leadership capacity?

Commercial and engineering capabilities within procuring authorities could be better utilised through improved cross-authority coordination, shared expertise, and structured development pathways. Supplier experience demonstrates that procurement approaches vary significantly between different public organisations. This inconsistency can add cost and delay, and creates uncertainty for the market.

Public authorities often lack the in-house skills, resources, and incentives to shape the market strategically, which leads to heavy reliance on external consultants. While this mitigates capability gaps, it can be costly, inconsistent, and limit early engagement with the supply chain.

We support measures to improve utilisation and development of these capabilities, including:

- **Cross-authority centres of excellence and expert pools** – sharing commercial, engineering, and cost expertise across procuring authorities to provide consistent, scalable support and guidance to run effective procurement events.
- **Structured public–private secondments** – embedding knowledge transfer, exposing client teams to delivery best practice, and strengthening relationships with industry.
- **Mandatory training on evaluation, risk allocation, and procurement practice** – ensuring teams can assess proposals consistently and make informed, commercially robust decisions.
- **Strategic use of nationwide frameworks** – such as SCAPE, CCS, and other customer-led frameworks (e.g., National Highways, Network Rail) to reduce duplication, streamline tendering, and provide consistent standards. This also enables procuring authorities to run fewer, less burdensome procurement events, reducing costs and time for both clients and suppliers.

Pooling in-house expertise and deploying it strategically across procuring authorities would reduce over-reliance on generic consultancy, improve decision-making, and support more innovative, market-aware procurement. From a Tier 1 perspective, this approach also creates opportunities for longer-term collaboration and alignment between clients and delivery partners, while increasing certainty and efficiency across programmes.

Q18; To what extent do you agree that it would be beneficial for public authorities, such as groups of nearby local authorities to : (i) jointly develop and share engineering expertise and commercial capabilities, (ii) to coordinate or jointly conduct procurement, (iii) enact comprehensive , standardised sharing of cost and performance data? How could this be best achieved?

We agree that there would be significant benefits from greater collaboration between public authorities, including groups of nearby local authorities, combined authorities, and arm's-length bodies. As the devolution agenda accelerates, investment decisions, funding outcomes, and delivery responsibilities increasingly cut across organisational and sectoral boundaries. Without coordination, this risks fragmentation; with the right structures, it presents a major opportunity to improve programme delivery and value for money.

Joint development and sharing of engineering expertise and commercial capabilities would allow public authorities to access specialist skills more efficiently, improve consistency in decision-making, and reduce duplication and over-reliance on external consultants. This is particularly relevant in regions where transport, housing, energy, and regeneration programmes are interdependent. For example, in the Northern regions, better alignment of spend and programmes between Combined Authorities, local authorities, and Network Rail would enable more coherent planning and delivery of infrastructure investment.

Coordinated or jointly conducted procurement can also smooth market demand, reduce bidding friction, and improve the realism of scoping, pricing, and risk allocation. Greater use of established procurement frameworks such as CCS and SCAPE can support this, enabling public authorities to award work more efficiently, reduce procurement costs, and access pre-qualified delivery partners with consistent commercial terms.

Comprehensive, standardised sharing of cost and performance data is a further enabler. Consistent datasets support better benchmarking, more informed evaluation of value for money, and stronger evidence-based decision-making across programmes and sectors. This is particularly powerful where funding and delivery outcomes "cross-pollinate" between sectors, enabling lessons learned and efficiencies in one programme to inform others.

These benefits could be best achieved through a combination of:

- **Shared regional or sub-regional expert teams**, providing commercial, engineering, and cost capability across public authorities, including transport authorities and other regional bodies.
- **Centralised government functions or specialist capabilities** being made available to local and combined authorities, offering access to procurement, commercial, or technical expertise that would be inefficient to replicate locally.
- **Use of specialist organisations with agreed and benchmarked rates**, enabling public authorities to draw on expert support in a transparent and consistent manner.
- **Alignment of procurement calendars and forward programmes**, creating more predictable pipelines and reducing peaks and troughs in market activity.
- **Standardised cost and performance datasets**, using common taxonomies and governance arrangements to ensure data is comparable, reliable, and secure.

From a Tier 1 perspective, these measures would improve efficiency, strengthen market confidence, and enhance the strategic impact of public investment by enabling better coordination across organisations, sectors, and programmes, while supporting more sustainable and effective delivery at regional and national scale.

Q19; What is preventing widespread adoption of procurement best practise? How could these barriers to adoption be overcome?

From a Tier 1 perspective, a key barrier to the widespread adoption of procurement best practice is uncertainty around funding. Where funding is annualised, subject to late confirmation, or dependent on future political or spending decisions, clients often do not have clarity on the scope, scale, or timing of what they are procuring. This uncertainty leads to delayed decision-making, compressed timescales, and procurement events that are rushed or not well aligned to what is ultimately funded and delivered. In these circumstances, it becomes difficult to apply best practice consistently or to engage the market in a meaningful way.

More broadly, adoption is constrained by a combination of capacity and capability limitations within client organisations, inconsistent application of guidance, perceived legal and audit risk, and the non-mandatory nature of best-practice tools such as the Construction Playbook. Differences in interpretation within and between organisations further undermine consistency and confidence.

There is also a tendency for procurement to over-emphasise lowest upfront cost, often driven by budget pressure and risk aversion, at the expense of quality, innovation, whole-life value, sustainability, and social outcomes. This is reinforced by a lack of transparency around risk and by concerns that early engagement may compromise competition or probity. In practice, limited engagement often increases risk, rather than reducing it, by preventing informed debate on scope, delivery approach, and risk allocation.

Effective procurement events do not need to be the most burdensome or resource-intensive. Proportionality is critical. Over-engineered procurement processes, lengthy submissions, repeated PQQ requirements, or quasi-full tenders for relatively modest opportunities, add cost and time for both clients and suppliers without improving outcomes. This discourages innovation, increases bid costs, and can reduce market participation.

These challenges are compounded where client models are under-resourced or “thin”, leading to a reliance on process rather than judgement, and a reluctance to embrace change or adopt more collaborative approaches. Fear of challenge, scrutiny, or perceived loss of control can inhibit early engagement and transparency, even where evidence shows these approaches deliver better outcomes.

Measures to overcome these barriers include:

- **Greater funding certainty and pipeline visibility**, enabling clearer scope definition, realistic timescales, and more effective procurement planning.
- **Stronger, more intelligent client models**, with investment in commercial and delivery capability so teams are confident in applying best practice and managing risk proactively rather than defensively.
- **Risk transparency and early engagement**, enabling informed discussion on risk allocation and delivery strategy, and reducing the need for contingency pricing and adversarial behaviours.
- **Proportionate, streamlined procurement processes**, including simplified PQQs, reuse of standard information, and procurement approaches that are aligned to the value, risk, and complexity of the opportunity.
- **Consistent application of Construction Playbook principles on a comply-or-explain basis**, supported by light-touch central oversight to encourage consistency and learning rather than enforcement for its own sake.

Collectively, these measures would support more effective, confident adoption of best practice, reduce inefficiency, and create procurement environments that encourage collaboration, innovation, and sustainable value for money, while remaining robust, transparent, and fair.

Q20; To what extent and in what ways, is there scope for procurement processes to be made, (i) less complex, and (ii) more standardised across public authorities?

(i) Scope for making procurement processes less complex

There is significant scope to simplify procurement processes. Current approaches are often duplicated across multiple teams and projects, even where the activities and information requirements are broadly the same. This duplication increases cost and time for both clients and suppliers without improving outcomes. Frameworks such as SCAPE and the Midlands Highways Alliance (MHA) demonstrate that a single, well-structured procurement route can efficiently deliver multiple contracts and provide a model for wider adoption.

Simplification could be achieved through:

- **Streamlined qualification processes** that recognise prior assessments and accreditations, avoiding repeated PQQ or pre-qualification exercises across similar procurements.
- **Proportionate use of collaboration assessments**. While collaboration is important, current approaches can be particularly burdensome and costly for all parties. In our experience, there is often limited linkage between the individuals or teams assessed during procurement and those ultimately deployed on the works, reducing the value of these exercises relative to the effort involved.
- **Default use of effective early contractor engagement (ECI)** to improve project scoping, cost certainty, and delivery outcomes, rather than relying on late-stage tender competition to manage risk.
- **Digital submission standards and shared supplier records**, enabling information to be reused across procurements and reducing administrative overhead.

(ii) Scope for making procurement more standardised across authorities

There is also strong scope for greater standardisation across public authorities, which would reduce friction and encourage broader market participation. This could include:

- **Standard templates, evidence lists, audit checkpoints, and data formats** across public authorities and frameworks, reducing repetitive submissions and lowering bid costs.
- **Greater reliance on standard forms of contract with fewer bespoke amendments**, and starting from more balanced and reasonable positions on terms and conditions. This would materially reduce legal review time, shorten negotiation periods, and improve certainty, while also increasing competition by making opportunities more accessible to a wider range of suppliers.
- **Clear, consistent language and evaluation criteria** that incentivise innovation, long-term investment, and efficiency, rather than driving defensive pricing behaviours.
- **Shared principles of risk allocation**, ensuring risks are borne by the parties best able to manage them, while retaining sufficient flexibility to reflect project maturity and the capabilities of Tier-2 and Tier-3 suppliers.

Consistent adoption of these measures across public authorities would reduce unnecessary complexity, lower bid and delivery costs, broaden competition, and enable better planning, resourcing, and value delivery across the sector without compromising transparency, probity, or value for money.

Q21; How and where can the regulatory approvals process for new products/ techniques/ technologies be made more streamlined?

The regulatory approvals process for new products, techniques, and technologies could be significantly streamlined to accelerate innovation while maintaining safety and compliance. Key measures include:

1. **Fast-track approval lanes** grounded in:
    - Outcome-based performance specifications rather than prescriptive process requirements.
    - Mutual recognition of approvals across regions and sectors to reduce duplication.
    - Regulatory sandboxes with controlled pilots and accelerated data cycles to allow testing in live environments.
    - A central, UK-wide precedents database to provide consistent reference points for new approvals.
2. **Streamline and rationalise existing processes** – identify and remove unnecessary regulatory steps and over-compliance, particularly where internal procedures overcomplicate changes or introduce duplication.
3. **Reduce duplication in supplier accreditations** – consolidated, cross-recognised accreditations would reduce administrative burden while maintaining assurance.
4. **Cross-regional R&D programmes** – coordinated investment to develop, test, and validate innovations in controlled environments before full-scale adoption.

These measures reflect CMA Table 4.4 and directly address challenges in rail acceptance, environmental approvals, and the deployment of new technologies. In practice, the main challenge is not innovation itself but bringing innovations into production safely and efficiently; the above measures would reduce unnecessary delay, lower cost, and encourage adoption of proven innovations across the sector.

Q22; Which types of supplier accreditation currently experience significant levels of duplication?

Significant duplication exists in supplier accreditations, particularly around safety, quality, and environmental standards**.** Suppliers often repeat similar audits to access multiple frameworks, and this duplication is frequently compounded by procurement processes rather than the accreditation systems themselves.

In practice, different sectors and buyers use multiple accreditation schemes. For example:

- Construction often relies on **Constructionline**, while other Tier 1 contractors may use different bodies.
- The rail sector uses **RISQS**.
- Previous attempts to standardise, such as **PAS91**, have been replaced by the **Common Assessment Standard (Build UK)**, but adoption across the industry remains inconsistent.

As a result, suppliers may need multiple overlapping accreditations for different clients, creating unnecessary cost and administrative burden.

Balfour Beatty supports a consolidated accreditation backbone - the principle of “assure once, recognise many” - with periodic surveillance audits proportionate to buyer risk. Ideally, a single accreditation system would capture the key requirements across sectors, including RISQS for rail, reducing duplication, lowering cost, and enabling the supply chain to focus on delivery rather than repeated compliance exercises.