CMA civil engineering sector market study interim report response from the Railway Industry Association

RAILWAY INDUSTRY ASSOCIATION
Championing a dynamic rail supply sector

28 January 2026

1. INTRODUCTION

1.1. This paper provides the Railway Industry Association's response to the questions raised in the Competition and Markets Authority's (CMA) interim report for their market study into the civil engineering sector and the preparation and delivery of rail and road projects.

2. ABOUT RIA

2.1. The Railway Industry Association (RIA) champions a dynamic UK rail supply sector. We help to grow a sustainable, and high-performing railway as well as promoting UK rail expertise and products to international markets. RIA has over 450 companies in membership, which is active across the whole of railway supply, covering a diverse range of products and services and including both multi-national companies and SMEs (60% by number).

2.2. The rail industry is a foundation sector for the UK's economy which supports sustainable investment and jobs in towns and communities across the UK. The sector contributes more than £41 billion in economic growth and £14 billion in tax revenue each year, as well as employing 640,000 people. It is also a vital industry for the UK's economic recovery, supporting green investment and hobs in towns and communities across the UK; for every £1 spent in rail, £2.50 is generated in the wider economy.

3. RIA'S REACTION TO THE CMA'S INTERIM REPORT

3.1. There are many aspects of the interim report that RIA and our members agree with, as well as some that need to be further materially qualified. We were happy to see some of the points raised in our submission reflected in the CMA's report.

3.2. We agree with the CMA's core diagnosis of a "negative cycle" in the industry driven by public-sector market design. The CMA's identification that constrained procurers and constrained contractors respond rationally to incentives that then produce poor outcomes including higher costs, overruns and under-investment is a key issue. **It is our view that successive public procurements shape the long-term health of the civil engineering market, not just the outcomes on individual projects.**

3.3. In our submission, RIA emphasised it is essential to get the fundamentals right, and the "root causes" identified by the CMA align with this. **The CMA is right to centre their remedy recommendations around pipeline certainty, procurement authority capacity constraints, procurement/policy approaches, and regulatory barriers.** Pipeline visibility is a key enabler of a well-functioning market.

3.4. RIA has continually highlighted the inefficient boom-and-bust nature of rail project pipelines in the UK market and stressed the need for the rail reform process to give the supply chain confidence through more credible long-term frameworks and clear responsibilities as the system changes. The CMA's recommendation for multi-year capital funding settlements across all current and future clients, supporting longer-term contracts and a more detailed UK-wide work pipeline aligns very closely with our diagnosis.

3.5. The CMA's recommendation for "greater use of early contractor engagement" as a remedy for weak scoping that leads to procurement-stage ambiguity and delivery-stage change, cost and delay is a welcome one**. RIA and our members have pushed for earlier, outcome-focused thinking and engagement, warning that overly prescriptive tenders and a cost-only focus reduces innovation and value.**

3.6. In our previous submission to the Market Study, we welcomed the Procurement Act and Construction Playbook's principles, but we noted that these principles are not universally applied. **The CMA noted in their report that best-practice guidance does exist but is inconsistently applied. RIA recommends probing public clients to understand why best practice advice is departed from.**

3.7. The CMA highlighted that limited retained commercial expertise in procuring authorities is a barrier to an effective market, and proposed that capability building, pooling and coordination measures be explored. **The Combined Authorities Infrastructure Partnership have been exploring how to develop combined authority capability and RIA would recommend engaging with this group.**

3.8. RIA would argue that treating regulation mainly as a barrier, risks missing when it is an enabler. RIA supports removing duplication and outcome-less process, but economic regulation can enable investment by giving transparency, confidence for third-party investment, expectations for whole-life cost management, and oversight of risk allocation. Bad frictions need to be targeted, but remedies need to avoid deregulation by default that undermines investability and long-term asset stewardship. We note that railway standards are developed within the industry (not by the regulator) and that the efficiency of processes around product acceptance and deployment is the key 'frictional' regulation for suppliers, reflecting that rail is a safety critical industry.

3.9. Supply chain fragmentation should be treated as partly symptomatic, not primarily causal. The CMA discusses fragmentation across tiers as a potential driver of higher costs but does acknowledge its benefits (including skills access and competition). We want to stress that market incentives – especially the lack of pipeline certainty – drives behaviours, including: risk posture, investment reluctance, and how firms structure delivery. **Remedies need to focus on fixing the incentives that make the current structure rational.**

3.10. The CMA notes that too much risk transfer can drive disputes and market fragility, but risk-sharing can also full incentives an increase monitoring burden. Risk should sit with the party best able to manage it. Good regulation and procurement should actively test where this is happening. **The CMA's final report needs to be very precise about what "better" looks like – where risk templates are counterproductive.**

3.11. RIA highlighted that civils differs considerably between road and rail. Because work is constrained by access windows; shorter access windows in rail increases costs, and rail civils must integrate with more different specialist systems. The interim report has a cross-sector framing. **The final report would benefit from a sharper account of how access policy and operational constraints shape rail productivity, delivery methods, and risk pricing in rail.**

3.12. The creation of Great British Railways (with potentially many different business units) and the simultaneous growth of devolved transport authorities, each with their own procurement approaches, could create major implications for procurement consistency, interfaces and continuity. The CMA interim report is focused on generic

public authority behaviour. **The final report needs a deeper, rail-specific assessment of how the shifting public sector architecture could improve or worsen the already noted "negative cycle".**

3.13. The CMA proposes standardising procurement administrative processes and reducing supplier accreditations. In our submission, RIA noted specific concerns about wasted bidding cost and clients pursuing new frameworks unnecessarily – which can particularly hit SMEs. The final report would benefit from a deeper rail-specific analysis of RISQS and Sentinel-style requirements, assurance duplication across clients/routes, and repeated prequalification burdens – and how to rationalise these without weakening safety and quality outcomes.

4. MARKET STRUCTURE, ENTRY AND SCALING BARRIERS (QUESTIONS 1, 2 & 11)

4.1. **Rail civil engineering, or 'civils' is already a competitive market, and the more material concern is not market "entry" in the abstract but whether firms can scale sustainably – to enable investment in skills, plant and innovation – under volatile demand and constrained client behaviours.** The most significant barriers are therefore best understood as investment confidence barriers: uncertainty about multi-year funding, weak visibility of credible sequencing and access windows, and frameworks that do not translate into reliable volumes. Where work can be paused or cancelled after award, or where frameworks deliver little call-off, firms rationally avoid committing to permanent capability, even if they are technically able to expand. **We attach in the annex of this submission a recent survey of supply chain confidence.**

4.2. In addition to pipeline volatility, rail has specific expansion constraints that are not always captured well in generic market analysis. Access and possessions constraints are a structural productivity driver: limits on workable access windows restrict throughput, raise unit costs and cap the pace at which delivery capacity can be scaled. A further constraint is duplicated assurance and requalification across clients and regions. **Repeated Pre-Qualification Questionnaires (PQQ), audits and inconsistent requirements impose time and cost burdens that crowd out investment in capability-building and innovation and disproportionately deter SMEs from scaling.**

4.3. Supply chain fragmentation is often a symptom of incentives. Under stop-start pipelines, fee pressure and risk being pushed down the chain, firms rationally flex via subcontracting rather than holding fixed overheads. Beyond pipeline uncertainty, three drivers consistently reinforce this:

(1) Cost-weighted evaluation and fee compression, making it harder for suppliers to sustain in-house capability when quality and whole-life value are not credibly rewarded.

(2) Client prescriptiveness, where input-heavy specifications reduce the scope for integrated solutions and discourage investment in higher-value internal capability.

(3) Risk posture, where inappropriate risk transfer encourages packaging and buying specialist scope rather than carrying long-term capability. Established central guidance posits that poor risk allocation can drive instability and stifle innovation, and that risk treatment should be tested with the market and allocated to those best placed to manage it.

4.4. Emphasis should therefore be on reducing the costs and frictions that deter investment and make fragmentation inevitable. The most effective interventions are those that make scaling investable: clearer forward pipelines and sequencing; standardised, reusable qualification; aligned framework approaches; and procurement strategies that consistently value deliverability and whole-life outcomes. **This direction is consistent with the Government's Construction Playbook's[1] expectations around early supply chain involvement, outcome-based specifications, benchmarking/should-cost thinking, and using delivery model assessments to select structures that enable better outcomes.**

4.5. For SMEs, the binding constraints are rarely a single "regulatory" barrier and more often the interaction of compliance overhead costs and commercial practice: duplicated PQQs and audits, inconsistent client requirements between regions, high bid costs, long payment chains, and added assurance layers that fail to recognise existing qualifications where it would be safe to do so. Qualification systems can be helpful in principle, but SMEs face disproportionate burdens when clients add duplicative requirements where established assurance exists. The Construction Playbook already recognises the importance of engaging the market across all tiers, using early engagement and clear specifications to reduce downstream risk and promote effective collaboration.

4.6. **The core issue is often not the absence of known "best practice", but inconsistent adoption of it: procurement and sourcing become too fragmented, too prescriptive and too slow, weakening confidence and deterring investment in scalable capability**. A coherent commercial approach – standardisation where it reduces friction, clarity on risk and requirements, and predictable demand signals – would address the root causes of scaling barriers more directly.

5. INNOVATION AND ADOPTION OF NEW TECHNOLOGIES (QUESTIONS 3, 10 & 21)

5.1. The biggest barriers to innovation and scaling in rail civils are not a lack of ideas or supplier capability, but procurement design, commercial incentives, and slow or duplicative pathways from trial to adoption. **Prescriptive tenders constrain innovation by limiting suppliers' ability to propose alternative methods, modern construction techniques, or technology-enabled approaches that could improve productivity and reduce whole-life cost.** This runs counter to established best practice in established central guidance.

5.2. Incentives created through evaluation and risk allocation also matter. Where price weighting dominates in technically complex work, suppliers face weaker commercial justification for R&D investment, digitalisation, automation and whole-life interventions – particularly where benefits accrue over the long term, but bids are assessed on short-term cost. The Construction Playbook and Sourcing Playbook[2] both recognise that "getting it right from the start" requires aligning commercial strategy, risk allocation and evaluation with desired outcomes, and using the market intelligently rather than

[1] HM Government. *The Construction Playbook. Government Guidance on sourcing and contracting public works projects and programmes*.
https://assets.publishing.service.gov.uk/media/6312222de90e075880923330/14.116_CO_Construction_Playbook_Web.pdf

[2] HM Government. *The Sourcing Playbook. Government guidance on service delivery, including outsourcing, insourcing, mixed economy sourcing and contracting.*
https://assets.publishing.service.gov.uk/media/64901fcc5f7bb700127fac5e/Sourcing_Playbook_Final.pdf

defaulting to lowest-cost competition. The gap in rail is often implementation, not a lack of known best practice.

5.3. A further recurring barrier is the "route to rollout" problem: even where innovations are proven, they frequently stall without commercial pull-through – clear adoption pathways, funded rollout plans, and consistent standards and assurance that allow solutions to scale. This is why early market engagement is not merely a procedural step but a mechanism for ensuring innovation is not "locked out" once scope, specifications and risk pricing harden. Practical steps that make the most difference include proportionate early engagement, structured feedback loops, and use of draft Invitations to Tender (ITT) or pre-launch documentation so suppliers can challenge delivery assumptions, standards and scope before bids are priced. The railway needs to become less prescriptive, with commercial behaviours that enable productivity-enhancing innovation rather than inhibiting it.

5.4. On regulatory barriers to innovation and competition, many entry and safety requirements in rail are appropriate given the safety-critical nature of the system. The issue is rarely "too much regulation", but instead prescriptive or duplicative standards and approvals and conservative assurance thresholds that reduce flexibility for new methods, slow deployment, and weaken the business case for innovation. The aim should be to remove process that does not add while protecting safety, interoperability and long-term stewardship. Well-designed assurance and economic regimes can support investability and responsible adoption rather than simply adding friction.

5.5. For streamlining approvals, the most impactful improvements are those that create predictable, time-bound and staged pathways from concept to deployment – e.g., moving from lab validation to controlled trials, then limited rollout, then scaled adoption – supported by clear evidence requirements and decision gateways. Mutual recognition of assurance and test results where appropriate, clearer accountability for decisions, and better resourcing of assurance bodies can materially reduce delay without compromising safety. However, regulatory streamlining alone will not deliver change unless procurement can actually buy and scale what gets approved. Procuring authorities need mechanisms that allow them to adopt innovations once proven, rather than repeatedly commissioning bespoke pilots that never translate into wider rollout. This is consistent with central playbook guidance that stresses early engagement, appropriate delivery models and commercial strategies that support delivery of outcomes over time.

6. PROCUREMENT DESIGN, COMPETITION AND EVALUATION (QUESTIONS 6, 7, 8, 19 & 20)

6.1. RIA members consistently report that rail procurement remains overly prescriptive, with designs and specifications often fixed before meaningful market engagement – as outlined above.

6.2. Even where innovative solutions exist, RIA members highlight a persistent "route to rollout" problem. Proven technologies and approaches stall without clear commercial pull-through, funded rollout pathways, and consistent standards and assurance regimes. Procurement behaviours can exacerbate this, with unrealistic timelines, excessive clarification batching, and weak client responsiveness undermining both innovation and competition, even when regulations permit flexibility.

6.3. **Frameworks can play a positive role, but only if they provide credible signals on volume and timing. Speculative zero-value frameworks undermine investment, workforce planning, and capability development. RIA members emphasise the need for clearer call-off pipelines, minimum commitments where feasible, consistent evaluation methodologies, and performance incentives linked to whole-life outcomes, productivity, safety, and innovation.** Proliferation of overlapping frameworks – particularly through regional divergence – raises bid costs across industry and prevents efficient national deployment of labour and plant. Clients should actively assess whether appropriate routes already exist before creating new frameworks and consolidate opportunities where possible to avoid piecemeal approaches that increase long-run costs.

6.4. **RIA members also stress that client reliability is fundamental to sustaining competition. Adhering to start dates, avoiding post-award changes to terms and conditions, and maintaining momentum are critical signals of credibility. Similarly, reducing repetitive and duplicative qualification requirements would significantly cut bid costs and delays.** A "qualify once, bid many" approach – supported by stronger central registers and acceptance of prior audits where appropriate – would enable reuse of financial and technical information across procurements.

6.5. Bid cost inflation is frequently driven by avoidable client behaviours, including unrealistic timescales and multiple large ITTs hitting the same supply chain segment concurrently. **Proportionate bid requirements, calibrated to contract value and risk, would reduce unnecessary resource intensity. Granting extensions should be recognised as pro-competition rather than a failure, as requests typically reflect genuine resourcing pressures and can prevent no-bids or poor-quality submissions**.

6.6. Evaluation practices, particularly for non-price factors, require rebalancing. In technically complex rail civils, excessive price weighting can override genuine quality considerations. Quality should be defined around deliverability, whole-life outcomes, productivity, safety, and evidenced innovation. Evaluators need stronger commercial and technical capability to assess these factors credibly; without this, price dominates by default. Importantly, quality evaluation begins before bids are submitted – clear output-based requirements and good early engagement lead to higher-quality bids and reduce reliance on price as a differentiator.

6.7. Post-award mechanisms also matter. Co-developing Key Performance Indicators (KPI) between clients and contractors will better align delivery behaviours with client objectives, including safety, productivity, SME engagement, and innovation. High-quality, consistent feedback is equally important, as it reduces challenges, improves future bids, and strengthens non-price competition over time.

6.8. There is significant scope to reduce complexity and increase standardisation across public authorities. This includes standardising PQQs, insurance and financial thresholds (on a proportionate basis), bid templates, data rooms, assumptions logs, and core contract terms – particularly across regions and devolved clients. Complexity is often procedural rather than regulatory, arising from unclear contact points, inconsistent clarifications handling, and late changes. Best practice includes clear RACIs, early release of information to level the playing field, standardised questions, proportionate terms and conditions, and clearer upfront client positions on scope, access assumptions, and risk allocation to prevent late churn.

7. RISK ALLOCATION AND RISK APPETITE (QUESTIONS 9 & 12)

7.1. Poor outcomes in rail and wider civil engineering are frequently driven by misallocation of risk, rather than the absolute level of risk inherent in projects**. A recurring issue is risk being transferred to parties that are not best placed to manage it, where it is priced defensively as contingency and subsequently re-emerges as claims, variations, delay or supply-chain fragility.** This dynamic undermines value for money, weakens trust and distorts incentives away from early problem-solving and mitigation.

7.2. In rail, certain risks are particularly prone to misallocation. Access and possession constraints, third-party interfaces, and uncertainty around asset condition are often pushed down the supply chain despite being materially influenced by client decisions or system-wide dependencies. **Where these risks are transferred without credible mitigation levers, suppliers price them conservatively or fragment delivery to manage exposure, increasing overall cost and reducing productivity. This runs counter to established best practice, which emphasises allocating risk to the party best able to manage it and actively testing risk allocation with the market before procurement.**

7.3. More effective approaches focus on collaborative risk management rather than contractual risk transfer. Practical mechanisms include shared and transparent risk registers developed early, clearer "risk owner" tests that distinguish between controllable and uncontrollable risks, and contract structures that reward early identification and mitigation rather than post-event dispute. These approaches are well established in guidance such as the Construction Playbook, but remain inconsistently applied in practice, particularly in complex, operationally constrained rail environments.

7.4. Excessive risk aversion within public authority decision-making is closely linked to these issues. **Risk aversion often manifests not as explicit refusal to proceed, but through behaviours such as overly prescriptive specifications, slow or sequential approvals, reluctance to trial new methods, and disproportionate assurance requirements even where underlying risk is low.** While caution is understandable in safety-critical systems, these behaviours can inadvertently increase risk by locking in inefficient designs, delaying delivery and discouraging innovation.

7.5. RIA members emphasise that capability and confidence are central to risk appetite. Where client teams lack sufficient engineering or commercial capability, decision-making tends to default to rigid process and conservative assurance. This reinforces risk aversion and discourages proportionate judgement. Strengthening in-house capability, particularly at the project sponsor and senior commercial levels, would enable more informed risk decisions and reduce reliance on overly defensive processes.

7.6. Clarity and proportionality can shift behaviour in the right direction. Clear ministerial and board-level mandates that prioritise outcomes over process, combined with assurance regimes that are explicitly proportionate to risk, would help recalibrate risk appetite. Protected "test-and-learn" pathways – with defined tolerances, staged approvals and clear escalation routes – can allow innovation and alternative approaches to be trialled safely without exposing decision-makers to unmanaged downside. This aligns with wider regulatory thinking that well-designed regimes should enable growth and productivity by providing certainty, clarity and proportionality.

7.7. Neither excessive risk transfer nor excessive risk aversion serves the public interest. **Better outcomes depend on aligning capability, governance and commercial**

behaviour so that risk is consciously owned, actively managed and proportionately assured. Where best practice on risk allocation and assurance is applied consistently projects are more resilient, innovation is more feasible, and long-term value for money is improved.

8. PROJECT SCOPING, PLANNING AND EARLY MARKET ENGAGEMENT (QUESTIONS 4 & 5)

8.1. The greatest scope to improve the accuracy of upfront scoping and planning lies in complex, operationally constrained rail projects where access, possessions, systems integration and whole-railway impacts are poorly understood at the point when scope and risk are fixed. This is particularly true for enhancement and renewal projects delivered on live networks, where late changes to access assumptions, interfaces with adjacent projects, or integration with wider system requirements frequently drive cost overruns and programme delay. **More accurate upfront planning depends on earlier and more meaningful engagement with delivery expertise, before scope is locked and risk is priced.**

8.2. Early contractor involvement (ECI) remains under-used or deployed too late in the procurement process. Where it is introduced only after key assumptions have been fixed, its ability to improve outcomes is limited. RIA members consistently emphasise that ECI is most effective when applied at the formative stage of project development, explicitly covering access and possessions planning, constructability, sequencing, and integration with the wider rail system. This allows delivery risk to be identified and mitigated early, reducing the likelihood of rework, inefficient risk pricing and avoidable change later in the lifecycle.

8.3. For ECI to improve scoping accuracy, it must be supported by appropriate client behaviours and processes. This includes a willingness to share data early, run clearly staged engagement processes, and ensure that insights from the supply chain can genuinely influence scope, standards and delivery approaches. Releasing draft ITTs or pre-launch documentation to the market, as RIA has previously recommended, enables suppliers to challenge assumptions before bids are priced and contractual positions harden. Without this, early engagement risks becoming a procedural exercise rather than a value-adding intervention.

8.4. ECI should also be understood as a behavioural choice, not solely a contractual mechanism. Effective early engagement requires sufficient lead-in time, structured dialogue, and transparent feedback loops so that suppliers understand how their input has been considered and applied. Where authorities are unable or unwilling to adapt procurement strategies or scope in response to market feedback, the benefits of early engagement are lost, and supplier confidence is undermined. This dynamic contributes to inflated risk pricing, reduced innovation and, in some cases, no-bids.

8.5. Improving scoping and planning accuracy is inseparable from broader changes in how the railway engages the market. **A more mature, outcome-focused client approach – one that actively draws on supply-chain capability to shape projects rather than simply deliver them – supports better whole-system decisions, higher productivity and improved value for money.** Early and meaningful market engagement, enabled by clear governance and a willingness to adapt, is therefore central to both more accurate upfront planning and more effective use of ECI across the rail portfolio.

9. PUBLIC AUTHORITY CAPABILITY, CAPACITY AND COLLABORATION (QUESTIONS 17 & 18)

9.1. The effectiveness of infrastructure procurement and delivery is fundamentally shaped by the commercial, engineering and leadership capability of procuring authorities, and how that capability is organised across the system. **In many cases, authorities do not lack access to expertise but lack the structures, continuity and resourcing models needed to deploy it effectively at the most critical stages of the project lifecycle.** Insufficient in-house capability during project development and early decision-making weakens authorities' ability to act as informed clients, reduces their capacity to interrogate proposals and manage risk, and increases reliance on cost as a proxy for value.

9.2. A particular area of weakness is project sponsorship and lifecycle accountability. Where sponsor roles are poorly defined or lack continuity, strategic intent is often diluted as projects move between development, design and delivery phases. This contributes to inconsistent decision-making, weak trade-off management between cost, time and quality, and over-reliance on external advisers. **Strengthening sponsorship and leadership capability – through clearer role definitions, targeted development pathways and consistent accountability – would significantly improve delivery outcomes and reduce long-term risk.**

9.3. Commercial and engineering capability gaps are reinforced by stop–start funding, governance delays and short-term budgeting cycles. These conditions discourage authorities from investing in permanent capability and incentivise repeated outsourcing of core client functions, limiting institutional learning and weakening internal cost, risk and estimating intelligence. **RIA members stress that while external expertise remains important, procuring authorities require a minimum level of embedded technical and commercial capability to commission effectively, manage interfaces and engage credibly with the supply chain**.

9.4. Given these constraints, there is strong scope for authorities to jointly develop and share specialist capability, coordinate procurement activity and standardise approaches across regions. Pooling expertise in areas such as sponsorship, estimating, commercial strategy and technical assurance would allow scarce skills to be deployed where and when they are needed, without unnecessary duplication. Standardised role definitions and competency frameworks would support this approach, enabling skills to be shared or rotated more easily and reducing over-reliance on consultants.

9.5. Greater coordination or joint procurement would also deliver material benefits. Fragmented procurement approaches increase bid costs, dilute market interest and undermine opportunities for repeatability and learning. Coordinated procurement – supported by aligned specifications, consistent evaluation methodologies and common commercial positions – would reduce supplier burden, improve productivity and support more efficient, repeatable delivery models across authorities.

9.6. Standardised sharing of cost, performance and delivery data is a critical enabler of improved capability and coordination. Inconsistent data definitions and limited transparency currently constrain benchmarking, estimating accuracy and learning

across authorities. More comprehensive and standardised data sharing would support better risk allocation, improve procurement strategy, and enable continuous improvement across programmes. This should be framed as system learning rather than solely performance management, encouraging openness and better long-term outcomes.

9.7. RIA members emphasise that these changes require deliberate, structured collaboration rather than ad hoc arrangements. Shared centres of expertise, common training and development programmes, aligned assurance frameworks and formal mechanisms for capability and data sharing would strengthen collective capability while preserving local accountability. Taken together, better deployment of internal capability, combined with greater collaboration and standardisation across authorities, would materially improve procurement effectiveness, delivery confidence and value for money for the public sector.

10. PIPELINE VISIBILITY AND FUNDING CERTAINTY (QUESTIONS 15 & 16)

10.1. **RIA members consistently emphasise that multi-year funding certainty is fundamental to efficient planning across the rail supply chain. Where businesses have confidence in capital availability and the likely pace of spend over multiple years, they are far better able to invest in skills, workforce development, innovation, plant, and stable delivery teams.** Conversely, year-ahead budgeting reinforces short-termism, undermines retention and training, and increases costs as capability is repeatedly stood up and stood down. Extending multi-year capital settlements would therefore have a material impact on supply-chain resilience, productivity, and value for money for the public sector.

10.2. However, members stress that multi-year funding alone is insufficient if not matched by good procurement and delivery behaviours. Poor-quality or outdated pipelines, unclear sequencing, and weak discipline around pausing or re-profiling work after contract award can negate the benefits of longer-term funding settlements. **Businesses need accurate, up-to-date public pipelines that go beyond headline funding totals and provide credible information on when work will be let, when access will be available, and how programmes are expected to flow.** Pipeline certainty must therefore be matched with delivery reliability if investment confidence is to be sustained.

10.3. Well-designed infrastructure pipelines need to move beyond simple lists of projects. **RIA members consistently highlight the value of greater granularity, including confidence levels in projects proceeding, likely procurement routes, anticipated lot sizes, timing ranges rather than fixed dates, key dependencies, access assumptions, and decision gateways. This type of information allows suppliers to plan resources realistically and reduces reliance on speculative bidding.** It also aligns with established central guidance on forward pipelines, which already sets expectations for improved transparency and maturity, but is applied inconsistently in practice.

10.4. Greater pipeline detail has clear and tangible market value. Improved visibility directly informs decisions on recruitment, apprenticeships, plant and equipment investment, and R&D activity, enabling businesses to commit capital with confidence rather than

adopting defensive strategies. Members also stress that better pipeline transparency benefits clients as much as suppliers: it reduces bid costs, improves bid quality, supports earlier collaboration and joint ventures, and enables a more competitive and capable market to form around future work.

10.5. Finally, **RIA members are clear that maintaining accurate, current pipelines should be treated as a core client responsibility, not an optional or "nice to have" activity. Transparent and credible pipelines strengthen trust between clients and the supply chain, improve value for money, and reduce long-term delivery risk.** Where pipelines are unreliable or opaque, the market responds rationally by pricing in risk, limiting investment, or declining to bid – outcomes that ultimately work against public authorities' objectives.

11. REMEDIES AND ASSESSMENT OF MEASURES (QUESTIONS 13 & 14)

11.1. The proposed measures are broadly well targeted, but their effectiveness depends on recognising the hierarchy of constraints within the markets. Some measures act as foundational enablers, while others will only deliver benefits if those foundations are in place.

11.2. **Multi-year funding certainty and more credible pipeline visibility are the most important measures to address.** The reasons for this have been laid out in previous sections.

11.3. **Closely linked is uplifting client capability, particularly commercial and engineering leadership and the ability to act as an intelligent client.** Even with improved funding certainty, weak client capability can negate benefits through poor scoping, unrealistic timelines, inappropriate risk transfer and ineffective procurement design.

11.4. **Procurement standardisation and reduction of duplication should be ranked next. It is particularly important, that as Great British Railways is created, and as Mayoral Combined Authorities take on more commissioning responsibility for large civils schemes, that there is not further fragmentation of public procurement approaches or a step back from best practice principles in the Construction Playbook and Sourcing Playbook.** Excessive variation in PQQs, frameworks, assurance and administrative requirements creates avoidable cost, disproportionately burdens SMEs, and fragments the market and adds cost to the public sector as a whole. Standardisation – where it reduces friction without removing necessary safeguards – would materially improve competition, lower bid costs and support scaling, but it will only deliver full benefit if underpinned by stable pipelines and capable clients.

11.5. **Faster, more predictable approvals for innovation, while maintaining safety outcomes, should also be treated as a priority but not in isolation.** Streamlining approvals can reduce delay and improve incentives to innovate, but without procurement routes that can actually adopt and scale approved solutions, regulatory reform alone will have limited impact. Innovation measures therefore work best when tied to pipeline certainty and procurement openness.

11.6. I**n terms of additional or under-emphasised measures, RIA strongly recommends that the CMA explicitly recognise under-utilisation as a measurable cost driver.** Idle

labour, plant and management capacity created by public sector stop–start behaviour represents a hidden but material inefficiency that is rarely captured in assessments of market performance. Making under-utilisation an explicit metric would shift focus from nominal competition to real system efficiency.

11.7. **It is essential to treat skills and workforce capacity as a first-order constraint, rather than a downstream outcome.** Workforce retention, training and productivity are directly linked to pipeline stability and client behaviour. **Remedies that do not account for skills risk addressing symptoms rather than causes,** particularly in safety-critical sectors with long training lead times.

11.8. For rail specifically, RIA recommends that access and possessions policy and operational constraints be incorporated more explicitly into the CMA's diagnosis of cost and productivity. These constraints materially shape delivery efficiency, scale-up potential and market structure in ways that generic civil engineering analysis can overlook.

11.9. Finally, **in the context of rail reform, RIA highlights the importance of assessing market-structure shock risks arising from the simultaneous transition to Great British Railways and increased devolution.** Overlapping institutional change, procurement reform and governance realignment could unintentionally amplify uncertainty, weaken demand signals and destabilise supply chains if not carefully managed. Recognising and mitigating potential transition risks should form part of the remedial framework.

ANNEX

Rail Industry Supply Chain Confidence Survey

A recent survey by independent pollsters Savanta of 125 railway business leaders has revealed that confidence in the rail market has declined significantly over the last 12 months, and most businesses are either freezing recruitment or reducing the size of their teams. The survey was conducted between October and November 2025 on behalf of the Railway Industry Association (RIA), prior to the Autumn Budget on 26 November. We are happy to share the full results if requested.

In response to Question 1: *How likely, if at all, do you think it is that the rail supply industry will grow or contract in the coming year?*

- 12% think it is likely to grow
- 64% think it is likely to contract

In response to Question 2: *How likely, if at all, do you think it is that your business will grow or contract in the coming year?*
- 44% think their business is likely to grow
- 23% think their business is likely to contract

In response to Question 4A: *How likely or unlikely do you think a hiatus in rail work over the next year is, for example due to the time taken to deliver GBR-related rail reform, or uncertainty over enhancement or major projects budgets?*
- 85% think a hiatus is likely
- 10% think a hiatus is unlikely

In response to Question 4B: *Which of the following measures, if any, is your business likely to take in response to a hiatus in the coming year?*
- 54% said prioritise work outside the UK
- 52% said freeze/slow recruitment
- 38% said pause or slow plans to expand in the UK
- 29% said make redundancies
- 17% said increase the cost of their products or services
- 4% said take on less work
- 3% said close their business

In response to Question 6: *Has your company taken any of the below measures over the last year?*
- 42% said they have frozen recruitment
- 34% said they have made rail redundancies

APPENDIX

Below are the CMAs questioned outlined in the Interim Report.

Question 1: Do you consider that we should be more concerned with barriers to firms expanding rather than barriers to firms entering the civil engineering market in the first place? Are there other forms of barrier not mentioned in our analysis so far which are significant?

Question 2: To what extent do you agree supply chain fragmentation contributes to poor outcomes? Besides pipeline uncertainty, what other factors drive civil engineering firms' preference to use contractors rather than building their in-house capacity?

Question 3: Are there specific procurement, policy or regulatory barriers that reduce innovation and/or scaling opportunities in the civil engineering market? What would make the most difference to firms' incentives to innovate, and public authorities' incentive and ability to encourage innovation?

Question 4: 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?

Question 5: To what extent do you agree early contractor involvement could be used more effectively, and how can this be facilitated?

Question 6: To what extent do you agree that the design and use of procurement frameworks could be improved?

Question 7: How could open competition be made less resource intensive as a method of procurement?

Question 8: Where is there greatest scope to improve the evaluation of non-price aspects of bids, such as quality? How can this be better supported and enabled?

Question 9: 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?

Question 10: What are the areas of regulation which are preventing opportunities for innovation and effective competition?

Question 11: What are the areas of regulation which are preventing smaller suppliers from competing effectively (or from scaling up to be able to compete effectively)?

Question 12: To what extent to do you agree there is excessive risk aversion in public authority decision making? Where risk aversion is too high, what would help move it to more appropriate levels?

Question 13: How would you rank the relative importance of our proposed measures?

Question 14: Are there alternative important measures that we do not mention?
Question 15: What would be the feasibility and impact of extending multi-year capital funding to public authorities currently operating on year-ahead budgets only?

Question 16: What information not currently available in published infrastructure pipelines would be most helpful for firms? How would this information change business decisions on resource allocation and/or investment?

Question 17: How could 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?

Question 18: 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; and (iii) enact comprehensive, standardised sharing of cost and performance data? How could this best be achieved?

Question 19: What is preventing widespread adoption of procurement best practice? How could these barriers to adoption be overcome?

Question 20: 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?

Question 21: How and where can the regulatory approvals process for new products/ techniques/ technologies in civil engineering be made more streamlined?

Question 22: Which types of supplier accreditation currently experience significant levels of duplication?