Appendix B: Detail of recommendations

B.1 In this Appendix B we set out further detail to that in the main report relevant to our recommended package of measures to improve outcomes in the market and its contribution to UK productivity and growth.

Overarching market shaping

B.2 Government's ability to shape the civil engineering market for public road and rail infrastructure through public procurement and regulation creates opportunities for it to do so proactively and strategically in support of goals beyond individual infrastructure projects. Effective, proactive market shaping begins with a thorough understanding of the market, and clear policy objectives. Procuring authorities also benefit from a clear vision of what a well-functioning, successful market looks like for governments across the UK.[1]

B.3 There is an opportunity to directly complement, build on and support the delivery of the UK government's *UK Infrastructure: A 10 Year Strategy*[2] ('10 Year Infrastructure Strategy'), by forming a strategic plan for the public road and rail civil engineering sector that clearly sets out objectives for the sector in line with that Strategy, and the actions it will take to shape the market and supply chain accordingly.

Recommendation 1 – Strategic ownership for driving change

Recognising its overarching responsibility for infrastructure strategy across the public sector, and its ability to deploy the necessary convening powers and levers within the UK government, we recommend that HM Treasury takes strategic ownership for driving and overseeing the necessary system-wide changes to actively shape the market.

Recommendation 2 – Sector plan

We recommend that the UK government, in consultation with the Scottish and Welsh governments and the Northern Ireland Executive: (i) publish a strategic

[1] CMA (2025), CMA response to the Cabinet Office's public procurement consultation.
[2] HM Treasury and NISTA (2025), UK Infrastructure: A 10 Year Strategy.

sector plan for civil engineering in the road and rail sector; and (ii) report annually on progress against that sector plan.

Overview of our recommendations

B.4 As set out in Appendix A, public authorities in the UK spend approximately £19 billion per year on public road and rail infrastructure (excluding High Speed 2). Despite the significance of this expenditure, there is no single entity within government that is responsible for civil engineering strategy, with roles and responsibilities instead fragmented across a range of departments and bodies. Assigning overall responsibility for driving and overseeing the necessary system-wide changes to a specific body is necessary to overcome the challenges we have identified in our market study, including a lack of accountability and failure to track and drive forward the implementation of previous recommendations.

B.5 In tandem with this, the UK government should develop a sector plan for civil engineering in the road and rail sector that establishes clear, long-term objectives and actions for delivering them. Consistent with recent sector plans the UK government has produced,[3] we envisage this plan would set out how public procurement and regulation can more proactively shape the industry structure and parameters of competition, while breaking down barriers to investment and innovation. Setting out specific, actionable measures with a clear set of timelines and owners would help to drive and embed meaningful change. Regular public reporting against the plan, to support ownership and delivery, could also include reporting on progress against some of our other recommendations below.

Summary of reasons for these recommendations

B.6 A range of evidence we have gathered over the course of our market study points to the need for improved sector planning and more proactive market-shaping. While some of the older evidence may have influenced recent strategies, the totality of evidence suggests more is needed. For example:

(a) A recurring theme in our evidence gathering is that longer-term, sector-level planning is needed to support investment and reduce delivery costs.[4]

(b) The NIC identified a lack of strategic direction as a root cause for systemic failures in its cost drivers of major infrastructure projects report.[5]

[3] Department for Business & Trade (2025), Industrial Strategy Sector Plans.
[4] For example, Balfour Beatty p1, Skanska pp1-2, Transport Scotland's p2 responses to the CMA's interim report.
[5] NIC (2024), Cost drivers of major infrastructure projects in the UK, p17.

(c) In its annual report, NISTA noted that the delivery of infrastructure in the UK has long been challenged by complexity and fragmentation.[6]

(d) ICE recently called for a more joined-up approach to infrastructure-related policymaking across government, with clear roles and responsibilities for delivery, while also highlighting that growth sectors identified in the industrial strategy will need to have the right infrastructure in place to flourish.[7] A public road and rail civil engineering sector plan would not only improve the civil engineering market, but also act as an enabler for other growth sectors.

B.7 Recent independent reviews have also found that fragmenting strategic oversight across multiple bodies contributes to underperformance. The reviews subsequently recommended consolidating responsibility within a single accountable entity. For example, the Fingleton Nuclear Regulatory review (2025) concluded that distributing decisions across regulators, planners and approval bodies had contributed directly to the UK's relative decline in delivering nuclear projects on time and at cost, and recommended a unified Commission for Nuclear Regulation as the single decision-maker for the sector.[8] The Cunliffe review (2025) reached a similar conclusion for the water sector, recommending that responsibility for long-term workforce and supply chain resilience be assigned to one body, rather than left to fall between regulators, departments and industry.[9]

B.8 With respect to international examples, we have noted parallels between this recommendation and Infrastructure Australia's 2023 Market Capacity Report that recommended the government use its infrastructure to achieve national priority aims for the sector such as the adoption of new technologies, boosting workforce capability and strengthening supply chains.[10] The OECD also found that the Market Capacity Report had been a helpful decision making aid for stakeholders, with 96% of respondents to a survey satisfied with the report overall.[11]

Considerations on design and implementation options

B.9 While responsibilities for civil engineering are dispersed across a range of departments, HM Treasury's central position within government would make them best-placed to take strategic ownership for driving and overseeing the necessary system-wide changes to actively shape the market. Strategic ownership by HM Treasury would also enable a cross-sectoral approach if the UK government decides to extend the scope of our recommendations to other areas of civil engineering.

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[6] NISTA (2025), NISTA Annual Report 2024-25.
[7] ICE's response to the CMA's interim report, question 3, p3.
[8] DESNZ and MoD (2025), Nuclear Regulatory Review 2025: summary.
[9] Independent Water Commission (2025), Independent Water Commission: review of the water sector.
[10] Infrastructure Australia (2023), Infrastructure Market Capacity 2023 Report, p94.
[11] OECD (2024), Understanding infrastructure market capacity constraints in Australia.

B.10 In practice, we would envisage NISTA playing a central role in providing the necessary strategic coordination, advice and oversight to deliver the system-wide change that is required. This aligns with NISTA's mandate – under its foundational Memorandum of Understanding between HM Treasury and Cabinet Office – to drive improvements at the policy, project, programme, portfolio and system level.[12]

B.11 Overall responsibility for the development and implementation of the sector plan should be assigned to a single department within UK government. If the scope of the sector plan is limited to road and rail, we consider that the Department for Transport would be well-placed to take on this responsibility. However, in these circumstances, it will be important for the Department for Transport to ensure that the sector plan is developed in line with the strategic approach set by HM Treasury under Recommendation 1. Input from other relevant departments and bodies would also be required in line with their respective responsibilities.

B.12 We are aware that this is an area with devolved competences, so HM Treasury and the Department for Transport would need to work closely with the Scottish Government, Welsh Government and the Northern Ireland Executive. We see benefits for all four nations in greater coordination of this sector, reflecting the different priorities and market conditions in each individual nation.

B.13 The sector plan would complement the 10 Year Infrastructure Strategy – by setting out how the public sector as a whole will shape the public road and rail civil engineering sector to help deliver it, in a way that drives efficiency, value for money, and the sector's contribution to UK productivity. Existing sector plans provide a useful reference point, eg with accountability tables identifying a Senior Responsible Owner for each policy area and clarifying which bodies are responsible for which outcomes. Such an approach would help to address overlapping roles and responsibilities which our market study has identified.

B.14 Several of our recommendations in this report could also be incorporated within the sector plan and regular reporting against it, including: the civil engineering strategic workforce plan under Recommendation 6, evaluation of pooled capacity under Recommendation 7, and joint procurement of public road infrastructure under Recommendation 8. The UK government could also use the sector plan to set out and report, in line with Recommendation 14, progress on the areas in which it will deliver greater standardisation of designs.

B.15 Regular, robust and transparent monitoring and reporting on progress against the sector plan will play an important role in ensuring it drives and embeds change. Such monitoring and reporting could take the form of annual published updates that track progress against stated objectives, as for example was done in the annual reports that followed the UK Government's 2010 Infrastructure Cost

[12] National Infrastructure and Service Transformation Authority (2025) NISTA Memorandum of Understanding.

Review.[13] Clear performance indicators would allow governments, industry and the public to assess whether and how procurement practice is improving, provide an evidence base for future policy decisions, and create a clear ownership where responsibility has historically been diffuse. As part of its regular reporting, government could set out any additional or alternative action it deems necessary for it to course-correct in order to deliver against the stated objectives.

B.16 Progress against the sector plan's objectives could be assessed using a range of indicators, including those that reflect how public procurement is shaping competitive conditions in the market. For example, rates of firm entry, exit, and scale-up – as indicators of market dynamism and the barriers facing smaller contractors – and broader measures of competition, such as the number of credible bidders per contract (drawing on data from contracting authorities), could be tracked on a regular basis to give a structured, evidence-based picture of whether reform is translating into a more competitive and resilient market.

Pipeline uncertainty

B.17 Our analysis has identified pipeline uncertainty as one of the major factors contributing to short-term procurement approaches, lower supplier confidence to invest in staffing and equipment, and thereby lower levels of productivity and innovation across the sector. Increasing funding certainty and improving pipeline visibility were also consistently ranked by respondents to our interim report as the most important measures that governments could take to improve outcomes.

B.18 Therefore, we consider that measures to provide stable, long-term funding for public procurers, and greater transparency and certainty for suppliers regarding future programmes of work, would address one of the key barriers to investment and innovation. We are recommending three measures to address these issues, as set out below.

Recommendation 3 – Multi-year capital funding

We recommend that the UK, Scottish and Welsh governments and Northern Ireland Executive each implement multi-year capital budgets (of at least three years) for all procuring authorities.

Overview of our recommendation

B.19 Our evidence clearly highlights that a funded, multi-year, stable project pipeline is a key condition for enabling the market to drive investment, innovation, and growth. A well-functioning market requires all public authorities – national and local

[13] Infrastructure and Projects Authority & HM Treasury (2010), Infrastructure Cost Review.

– that procure public road and railway infrastructure to be operating on multi-year capital budgets. By multi-year capital budget, we mean funding settlements of at least three years – consistent with the Construction Playbook recommendation that commercial pipelines should look ahead three to five years to operate effectively.[14] Multi-year budgets are critical to enabling strategic planning and conduct by procuring authorities, enhancing investment confidence, and facilitating efficient allocation of resources.

Summary of reasons for this recommendation

B.20 A wide range of stakeholders highlighted the benefits of existing multi-year funding settlements.[15] For example, we have heard that National Highways' five-year Roads Investment Strategies (RIS1, RIS2) have provided a steady pipeline.[16] However, National Highways operated on a one year-single interim settlement period during 2025/26, which it submitted caused limited pipeline certainty and contributed to an inability for the supply chain to plan over a longer time period.[17]

B.21 Even where there are five-year control periods in place, it is important for governments to ensure that funding is smooth and sequenced over the period, which is not always the case at present[18] – as peaks and troughs can make it difficult for companies to maintain staff or invest in their workforce.

B.22 There may be value in governments drawing on international examples where countries have established multi-year frameworks for publicly procured road and rail. For example, Canada committed to investing CA$20.1bn over 10 years into its public transit system as part of its wider infrastructure programme, providing funding to address the construction, expansion, and improvement of transit infrastructure.[19] Australia has also committed to a 10-year, over AU$120bn infrastructure investment pipeline, which is a 10-year rolling programme of transport infrastructure investment.[20]

B.23 Industry stakeholders that responded to our interim report consultation were overall highly supportive of our recommendation to extend multi-year capital funding to public authorities currently operating on year-ahead budgets.

[14] The Construction Playbook, p16.
[15] For example: Balfour Beatty's response to the CMA's interim report, p17; Responses to the CMA's information requests [✂].
[16] Response to the CMA's information request [✂].
[17] National Highways' response to the CMA's information request [✂].
[18] NIC (2024), Cost drivers of major infrastructure projects in the UK.
[19] Housing, Infrastructure and Communities Canada (2018), Investing in Canada: Canada's Long-Term Infrastructure Plan.
[20] Australian Government (2025), 2025-2026 Supplementary Budget Estimates.

(a) Multiple respondents said that extending multi-year funding would improve project planning.[21]

(b) Some respondents said that extending multi-year funding would enable firms to invest in workforce development.[22]

(c) Some respondents highlighted the positive impact on investment.[23]

(d) Some respondents noted that extending the application of multi-year funding would deliver greater value for money and longer-term benefits.[24]

B.24 However, some consultation respondents noted limitations to extending multi-year funding to public authorities on one-year budgets, with several citing areas where recommendations could go further.

(a) One respondent said that, even with multi-year cycles, national procuring bodies are still influenced by annual departmental settlements and changes to government priorities.[25]

(b) Another respondent submitted that multi-year funding alone is insufficient if not matched by good procurement and delivery behaviours, as well as quality, updated pipelines.[26]

B.25 Businesses that took part in our qualitative market research outlined various areas for improvement in relation to public road and rail funding. For example, some Tier 2 and Tier 3 contractors expressed their support for longer-term, ring-fenced funding in the road and rail market.[27] One Tier 2 firm suggested that having a rolling funding programme is feasible and would be better for industry.[28]

Considerations on design and implementation options

B.26 Multi-year capital budgets should apply to public authorities at a UK, devolved nation, and local government level, and to the full range of publicly procured road and rail projects including enhancements, renewals and maintenance. As noted below, in terms of requiring change from current practice this recommendation is most salient to devolved governments and their local authorities.

[21] NEPO p6, Balfour Beatty p17, ACE p9 and Laing O'Rourke's p4 responses to the CMA's interim report.
[22] Balfour Beatty p17 and RIA's p10 responses to the CMA's interim report.
[23] ACE p9, M Group p3 and BAM Nuttall's p15 responses to the CMA's interim report.
[24] Balfour Beatty p17, p10 and RPA's p2 responses to the CMA's interim report.
[25] Skanska's response to the CMA's interim report, p1.
[26] RIA's response to the CMA's interim report, p10.
[27] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p12.
[28] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p69.

UK government bodies

B.27 We recognise that public road and rail spending at a national level under the control of the UK government already operates on multi-year budgets (typically five-year periods).

Local authorities in England

B.28 There has been considerable progress recently on capital budget cycles for local authorities in England. All authorities have received a multi-year settlement from the UK government, which includes funding for maintenance and renewals of local roads, covering a four-year period (2026/27 to 2029/30).[29] Multi-year funding for local transport improvements, including road maintenance and renewals, is also provided to eligible Mayoral Combined Authorities (MCAs) as part of City Region Sustainable Transport Settlements (CRSTS)/Transport for City Regions (TCR) settlements. In June 2025, the UK government confirmed £15.6bn of funding under TCR for 2027/28 to 2031/32, in addition to £5.7bn already allocated for 2022/23 to 2026/27 via CRSTS.[30] Other local authorities receive a share of £2.3bn Local Transport Grant funding in their funding settlement. Further multi-year funding for local road renewals and enhancements is provided to local authorities as part of the Major Road Network (MRN)/Large Local Majors (LLM) programme. Beyond this considerable multi-year coverage, our understanding is that there remains a portion of local road renewal and enhancement activity by local authorities that is not covered by a multi-year settlement.

Devolved governments

B.29 Multi-year budgets are in place at a national level for rail in both Scotland and Wales. The Northern Ireland Department of Finance also indicated plans for a multi-year funding model in its draft Budget for 2026-29/30.[31] Our recommendation looks to build on this by calling for multi-year settlements to be extended to national roads in Scotland and Wales, and firm commitments to multi-year settlements for all public road and rail funding in Northern Ireland at a national and local level.[32]

B.30 UK Government funding is allocated to devolved governments via the Barnett formula in the form of an annual 'block grant'. The formula is used to determine the overall funding available for public services, including road and rail infrastructure projects.[33] Devolved governments are able to spend their funding in line with their

[29] Highways Maintenance Block Formula Allocations 2026 to 2030.
[30] DfT (2025), Transport for City Regions funding allocations.
[31] Minister of Finance (2026), Public Expenditure: Proposed Draft Budget 2026-29/30, p3.
[32] In Northern Ireland, local roads are not managed by local authorities; instead, the Department for Infrastructure is responsible for the management of local roads (and all other public roads).
[33] Institute for Government, Barnett formula, accessed on 17/04/26.

own policy preferences, and also have their own sources of funding alongside the UK government funding, for example through tax and borrowing.[34]

B.31 We acknowledge that the period covered by UK government Spending Reviews (SRs) will not always coincide with the period for which devolved governments may wish to set capital budgets – and that for devolved governments, while it is very much feasible for them to set multi-year public road and rail capital budgets that extend beyond the timeframe of the UK government's SR, doing so inherently carries fiscal risk due to the uncertainty around post-SR funding levels.

B.32 However, this does not mean that devolved governments should not set road and rail capital budgets of any level for any period beyond that of the UK government – as:

(a) The fiscal risk of doing so can be lowered – for example, by setting the level of the budget for later years at a deliberately cautious level commensurate with the risk. This would still allow for a substantial degree of planning for public road and rail projects (and of course more so than if there were no budget commitment for later years), and can later be increased to a level consistent with the following UK government Spending Review (indeed such an intention could be clearly signalled in advance). This would be similar to the approach set out in Recommendation 4 (see below), by which public authorities would be able to enter into contractual commitments for a certain amount of investment expenditure beyond the current budget settlement period, without requiring ad hoc central clearances.

(b) The fiscal risk of doing so can be managed (at least in part) by, for example, building flexibility into delivery contracts, redeploying underspends, and/or utilising fiscal powers.

(c) The risk of doing so should also be weighed against the considerable costs that are incurred by taking a short-term approach to public road and rail investment, and the considerable potential benefits foregone if public procurers are not able to pursue a longer-term approach.

Local authorities in Scotland and Wales

B.33 Road funding for local authorities in Scotland and Wales is only on a year-ahead basis at present; our recommendation calls for this to be made multi-year.

[34] HM Treasury (2021), Devolved administration funding and the Barnett formula.

Other areas of consideration

B.34 As noted above, the evidence we received consistently highlighted pipeline certainty as the single most important recommendation area. However, in many cases, stakeholders referred to the stability of funding and policy commitments, rather than length of settlements. This reflects a widely recognised challenge across infrastructure markets: the risk that approved projects are subsequently delayed, scaled back, or revisited due to changing political priorities. While some project cancellations or delays are inevitable, we note there are clear, substantial costs from reneging on financial and specific project pipeline commitments; for example, the Department for Transport alone incurred losses of more than £2.7bn between 2023 and 2025 following the cancellation of major projects.[35] While we do not set out a specific recommendation on funding and policy stability in this report, we would emphasise the importance of maintaining credible long-term funding commitments on investor and supplier confidence.

Recommendation 4 – Longer-term contracts

We recommend that the UK, Scottish and Welsh governments and Northern Ireland Executive each give all procuring authorities greater flexibility to commit to contracts that extend beyond budget settlement periods. This would include the setting of budget and timeline thresholds within which procurers can make commitments without requiring case by case central approvals.

Overview of our recommendation

B.35 Greater use of longer-term contracting (by which we mean contracts spanning more than three years[36]) will provide firms with credible, longer-term commitments, enabling greater confidence to invest in skills, equipment and innovation. This should include the public sector undertaking more contracting for programmes of projects, rather than project by project – which should also deliver greater benefits from learning-by-doing productivity gains. In addition, placing more longer-term contracts could reduce system-wide procurement costs, and enable greater use of collaborative and innovative contracting arrangements such as alliance contracting and Project 13 principles[37]. This would be supported by widespread adoption of best practice guidance as we set out in Recommendation 9, as well as greater flexibility for procuring authorities to contract over the longer-term.

B.36 There may be projects or programmes where there would be benefits from contracting beyond the time period covered by spending settlements; but our

[35] NAO (2025), Department of Transport Overview, p18.
[36] This is in line with the GCF (2022), Longer Term Contracting Programmes, Projects and Portfolios in Construction Guidance Note.
[37] Project 13 is an industry-led initiative to improve the way infrastructure is delivered and managed, ICE (2023), Project 13 Infrastructure Governance Code: engineering great decisions to change society.

understanding is that any such commitments require explicit, case-by-case central (eg HMT) approval – which will inherently constrain their potential use. Providing procuring authorities with freedom to undertake some level of such commitments without requiring case-by-case central approval should support greater uptake. Such flexibilities could also help smooth and address problems with contracting 'cliff edges' that can occur at the end of settlement periods (see below).

B.37 There are clearly limits to the extent to which governments would wish to provide such flexibilities, given the constraint they could imply for future fiscal decisions – but we think the optimal level of such freedom is greater than the zero provided at present. For example, there will be some programmes – such as safety-critical maintenance and renewals, among others – that will be delivered in any reasonable future scenarios, and for which providing authorities greater freedoms to contract for the longer-term would seem particularly justified.

B.38 Overall, we acknowledge that there are trade-offs with greater use of longer-term contracting, and that there are limits to the extent to which it should be widely deployed – and it will be for governments to determine the appropriate balance. However, while our evidence gathering has revealed some examples of longer-term contracting, we judge there to be considerable scope for greater use.

Summary of reasons for this recommendation

B.39 Stakeholders who responded to the interim report on increasing use of longer-term contracting were generally supportive. For example:

(a) ICE noted that the UK government-commissioned report, 'Constructing the Gold Standard – An Independent Review of Public Sector Construction Frameworks' (CGS), recommends reducing procurement costs and improving value through the award of longer-term call-off contracts.[38] ICE also informed us that increasing the number of longer-term contracts was a measure that government could take to improve outcomes.[39]

(b) Costain noted that because of the long-term, significant value of investment in Phase 1 of HS2, a number of innovations were possible on the project.[40]

(c) Laing O'Rourke told us that in rail, regulated requirements and cost structures reinforce use of subcontractors over in-house as maintaining directly employed workforce requires certainty of workload. The current market environment does not incentivise this outside of some long-term

[38] ICE's response to the CMA's interim report, question 7.
[39] ICE's response to the CMA's interim report.
[40] Costain's response to the CMA's interim report, p1.

projects or frameworks where capacity requirements are smoothed.[41] Laing O'Rourke also noted that short contracts are a barrier to innovation.[42]

B.40 BAM Nuttall highlighted the legacy and learnings from the SMP Alliance[43] – which was conceived as a contemporary delivery vehicle to design and construct the Government's Smart Motorways Programme (SMP) over a 10-year period covering the second (2020-2025) and third (2025-2030) Road Investment Periods. The ambition for the Alliance was to give clarity of requirement and certainty of work over the 10 years using a no change contract.

B.41 There are a range of international examples of long-term contracting, such as:

(a) The Netherlands has widely used Design–Build–Finance–Maintain contracts for major road and rail projects (eg Rijkswaterstaat schemes[44]), typically lasting 20–30 years, extending beyond political cycles.

(b) In New Zealand (NZ) Network Outcomes Contracts are performance-based, long-term (approx. 7–9 years) agreements used by NZ Transport Agency Waka Kotahi to manage state highway maintenance. They bundle activities to boost efficiency, enhance customer service, and require suppliers to meet specific Key Performance Indicators and Key Result Areas.[45]

(c) Chile has an Infrastructure Concession Programme,[46] which is one of the world's most mature long-term infrastructure concession programmes, covering roads, airports, and rail-related infrastructure, often 30+ years.

B.42 We also note there are other infrastructure sectors where, particularly among private sector procurers, substantial use is made of long-term contracting and supplier relationships, including for example in the delivery of water sector infrastructure.[47]

Considerations on design and implementation options

B.43 Greater flexibility could be enabled by granting to procuring authorities pre-approved delegated powers to enter into long-term contracts up to defined financial and time thresholds (ie setting a maximum aggregate value, for each of a certain number of years beyond the current budget settlement period). Authorities would then be able to make commitments within these thresholds – as per the

[41] Laing O'Rourke's response to the CMA's interim report, question 2.
[42] Laing O'Rourke's response to the CMA's interim report, question 3.
[43] BAM Nuttall's response to CMA's information request [✂].
[44] Rijkswaterstaat, Rijkswaterstaat International, accessed on 08/05/26.
[45] NZ Transport Agency, Network outcomes contracts, accessed on 08/05/26.
[46] Gobierno de Chile, News, accessed on 08/05/26.
[47] ICE (2017), A new approach to delivering high performing infrastructure.

standard conditions of the rest of their spending settlement[48] – without requiring central approvals.

B.44 There is currently a risk of 'cliff edges' where, for example, a multi-year funding settlement is in place, and contracts procured by a public authority expire at the same time at the end of that period and have to be re-procured by that public authority and other public authorities simultaneously. This risk could be mitigated by, for example, providing greater flexibility for some contracts to extend (or later be extended) into the following period.

B.45 More broadly, governments could support increased use of longer-term contracting by: proactively working with national procuring bodies to identify and pursue specific further opportunities for long-term contracts for projects, programmes and portfolios of works; setting out fuller guidance on the most appropriate use cases for long-term contracts; and disseminating and supporting wider adoption of lessons learned from successful case studies (see Recommendation 9).

Recommendation 5 – UK-wide infrastructure pipeline

(i) We recommend that NISTA, in collaboration with the Scottish and Welsh governments and Northern Ireland Executive, expands its infrastructure pipeline to include road and rail projects planned by the devolved governments and their arms-length bodies.

(ii) We recommend that NISTA's pipeline should be expanded to include information for each project on: funding confirmation status; planning approvals status; intended timelines for procurement; and intended procurement method.

Overview of our recommendation

B.46 Publishing a consolidated UK-wide pipeline would maximise the visibility of projects, the contribution of the pipeline to supporting firms' planning around budgeting, skills and resource allocation, and the role it plays in facilitating competition. This in turn would increase competition across the UK. We consider that there should be a consolidated UK-wide pipeline, and that NISTA is best placed to host and maintain this, building on its existing pipeline.[49] While we would expect the Scottish and Welsh governments and the Northern Ireland Executive to continue to publish their own nation-specific pipelines, information would need to

[48] Indeed, finance ministries could potentially require slightly stricter conditions for any commitments made beyond the main spending settlement period.
[49] NISTA's Infrastructure Pipeline is an online tool that gives a forward look of UK infrastructure projects across sectors, including information on timing, costs and project status. It is an important tool for planning, particularly for industry. While there is a clear regional breakdown of projects, coverage of devolved road and rail projects within the tool is limited, with Devolved governments maintaining their own separate pipelines. NISTA, Infrastructure Pipeline, accessed on 08/05/26.

be shared with NISTA in such a way as to allow timely and comparable consolidation into an up-to-date UK-wide version.

B.47 A key principle behind our recommendation to include further details within the NISTA pipeline is that, while as much certainty as possible within published pipelines is optimal, transparency is also key. Even where there is uncertainty over the status of projects in the pipeline (eg funding has not been finalised, planning approvals are uncertain, and/or business cases are still developing), providing firms with information on the extent of project progress enables them to make better informed decisions over the development and deployment of their capacity and capability, and their planning for potential future bids – and thus improves market efficiency. We note that in some cases this may require governments to provide greater transparency than has been the case in the past.

Summary of reasons for this recommendation

B.48 In response to our interim report, there was significant support from stakeholders for implementing our proposed measure. For example, Costain stated that, out of the CMA's proposed suite of measures, the biggest impact would be achieved from adopting our suggestions with respect to improved pipeline visibility and certainty.[50] Several respondents also noted that a clearer pipeline would encourage greater investment in skills[51] and equipment.[52]

B.49 However, several respondents did note concerns around feasibility, or other concerns that they felt needed to be addressed. For example, one respondent noted that any governance limitations associated with a UK-wide pipeline should be considered to ensure all four nations can benefit.[53] Another respondent said that current pipelines are only useful for Tier 1 contractors.[54] A couple of respondents submitted that the main issue is around the lack of certainty or confidence in the information within the pipeline.[55]

B.50 Respondents to our interim report consultation suggested various types of information that it would be helpful to include in published infrastructure pipelines. For example:

(a) Several respondents called for the inclusion of information relating to procurement routes.[56]

[50] Costain's response to the CMA's interim report, p5.
[51] Rail Forum p5, M Group p4 and BAM Nuttall's p16 responses to the CMA's interim report.
[52] Rail Forum p5 and RIA's p10 responses to the CMA's interim report.
[53] Transport Scotland's response to the CMA's interim report, p2.
[54] NEPO's response to the CMA's interim report, p6.
[55] Kier p3 and Mott MacDonald's p9 responses to the CMA's interim report.
[56] M Group p4, RIA p10, Laing O'Rourke p4, and Balfour Beatty's p17 responses to the CMA's interim report.

(b) Several respondents said there should be greater visibility of procurement timelines.[57]

(c) The importance of clear information or certainty on project budgets or funding was referenced numerous times across responses.[58]

(d) A couple of respondents suggested that detail around design maturity should be included in the pipeline.[59]

(e) A couple of respondents suggested that confidence rating systems should be included.[60]

B.51 NISTA recently updated its infrastructure pipeline with additional information, on 9 March 2026. NISTA noted that the expanded dataset aims to improve the usefulness of the pipeline to firms as a planning tool – and several firms and trade associations expressed support for the update.[61] One area of information added to the pipeline is estimates of skills and future workforce demand generated by projects, which is broken down by region and sector, and gives firms insights to invest in skills and capacity. Other added information includes the type of investment sought, how much, the business models to be used, and a clearer regional breakdown. This builds on the existing information in NISTA's pipeline, which includes (but is not limited to) procurement status, budget, source of funding, sector, region and delivery timelines.

Considerations on design and implementation options

B.52 A UK-wide infrastructure pipeline would incorporate transport projects that currently sit in Scotland's Construction Pipeline Forecast Tool,[62] Wales' Infrastructure Investment Strategy in 2021,[63] and Northern Ireland's Investment Strategy for Northern Ireland 2050[64] – with such national information provided and consolidated regularly. While we envisage that the UK-wide pipeline would focus on projects overseen by national public bodies, there could be scope for NISTA to facilitate the inclusion of projects by interested local bodies (potentially above a certain size threshold). Delivery of the recommendation would be supported by the Scottish and Welsh governments and the Northern Ireland Executive working with NISTA to agree a common methodology for information to be included in the pipeline, and the adoption of a common Application Programming Interface (API) and standardised data formats.

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[57] BAM Nuttall p16 and Balfour Beatty's p17 responses to the CMA's interim report.
[58] M Group p4, Laing O'Rourke p4, Balfour Beatty p17, ACE p9 and Kier's p3 responses to the CMA's interim report.
[59] M Group p4 and Laing O'Rourke's p4 responses to the CMA's interim report.
[60] Laing O'Rourke p4 and Amey's p5 responses to the CMA's interim report.
[61] NISTA (2026), Infrastructure Pipeline update signals future workforce needs.
[62] Scottish Futures Trust, Construction Pipeline Forecast Tool, accessed on 17/04/26.
[63] Welsh Government (2021), Wales Infrastructure Investment Strategy 2021.
[64] Northern Ireland Executive, Investment Strategy for Northern Ireland 2050, accessed on 17/04/26.

B.53 As noted above, interim report consultation responses suggested a wide range of additional potential types of information that would further support business confidence and investment decisions. Our view is that the following would be most valuable:

(a) Funding confirmation status: strengthening detail on funding status within the pipeline would give firms valuable information for assessing the likely probability and/or timing of projects going ahead. We note that the current pipeline tool includes funding status categories – but these should be universally populated for each project as a priority. In addition, clarity on the likelihood and timing of projects going ahead could be further supported by other indicators such as the current stage of the business case.

(b) Planning approvals status: providing planning status indicators would help firms distinguish between projects that are still subject to planning and consenting approvals and those with permissions in place.

(c) Procurement timelines: NISTA's current pipeline provides indicative timings for 'Start of Works' and 'Date in Service', although a more granular breakdown of timelines prior to construction would provide greater certainty on project progress and support suppliers' planning accordingly.

(d) Procurement method and route to market: we note that there is a 'Procurement & Investment' field for each project within the current NISTA pipeline tool, including information on the procurement/investment framework. However, an indication of the type of procurement method or route to be used (eg a framework, or open tender) would support firms in identifying suitable opportunities early and allocating resources accordingly.

Procurement authority capacity constraints

B.54 As set out in chapter 3 of the main report, we have found that limitations in public authorities' procurement, commercial and civil engineering capacity and capability are having a significant effect on the public sector's ability to procure effectively. Based on the evidence we have gathered, there is scope for significant returns in this area, with even small improvements in capacity and capability potentially delivering better market outcomes and value for money for procurers.

B.55 The measures we set out below to address this issue are mutually reinforcing – as, for example, cross-pooling of capacity can support sustained capability building within public authorities, and closer collaboration is also likely to facilitate more opportunities for joint procurement.

Recommendation 6 – Sustained capability building

We recommend that the UK, Scottish and Welsh governments and Northern Ireland Executive each publish a civil engineering strategic workforce plan that sets out how they will strengthen the commercial and technical capability of all public procuring authorities, and report regularly on progress against this.

Overview of our recommendation

B.56 Shortcomings in capacity and capability can impact all public procurers, but are often most acute for smaller local authorities who face the greatest challenges in building, recruiting and retaining sufficient procurement and engineering expertise. These can manifest in various ways, including the robustness of scoping decisions and poor implementation of best practice, that ultimately impact on project delivery and value for money.

B.57 The civil engineering strategic workforce plans should establish a clear vision and action plan for addressing the procurement, commercial (such as quantity surveyors) and technical workforce challenges that public authorities currently face. These plans should include: an assessment of current workforce capacity and capabilities; a gap analysis that identifies where and how workforce resources, skills, and capabilities need to improve, in order to most effectively deliver governments' infrastructure plans; a set of clear, measurable interventions that will be undertaken to address the challenges identified; and a timeline for delivering these interventions and monitoring their impacts.

B.58 Governments should engage local authorities as active partners in the development of the workforce plan, utilising their insights to reflect local labour market considerations and capability gaps. We recognise that work has already been undertaken at a local level, such as the LGA's Civil Engineering Workforce Strategy and Action Plan[65] and, rather than duplicating existing efforts, governments should seek to establish a coordinated workforce plan that strengthens and builds on what already exists. This will help to provide targeted support and address gaps that individual local authorities cannot tackle alone.

B.59 In response to our interim report, stakeholders were supportive of proposals to improve the development, recruitment, and retention of specialist skills, expertise and leadership capacity in public procurers.[66] Strategic workforce planning should include identifying specific actions that can address persistent challenges with unfilled vacancies, skills shortages, and increasing retention challenges. While such actions will incur costs for the public sector, offsetting benefits will include

[65] LGA, Local Government Civil Engineering Workforce Strategy and Action Plan, accessed on 08/04/26.
[66] Balfour Beatty p18, Skanska p2 and BAM Nuttall's p17 responses to the CMA's interim report.

less expenditure on external consultants, a more productive workforce, and better outcomes for infrastructure projects and the market as a whole.

B.60 The ICE state of the nation: infrastructure in 2026 report also identified many of the same issues we have found, including that highway authority engineering teams have been 'pared to the bone' and have a shortage of vital skills.[67]

Summary of reasons for this recommendation

B.61 Stakeholders were very clear that there are capability gaps within public authorities. For example:

(a) Tier 1 suppliers: Balfour Beatty said that public authorities often lack the in-house skills, resources, and incentives to shape the market strategically, which leads to heavy reliance on external consultants.[68] BAM Nuttall said that, in many cases, limited in-house engineering capability – or its late involvement in the project lifecycle – constrains effective scoping, option selection, and risk allocation.[69]

(b) CMA market research: It was notable that participants working in both Tier 2 and Tier 3 firms felt the absolute competency levels across local authorities was both variable and, on average, lower than they found at national bodies. This lack of in-house technical expertise meant that local authorities were more prone to hiring external consultants or relying on less-experienced staff to procure work.[70]

(c) Industry groups and associations: NEPO said that the loss of experienced staff (through redundancies, restructures, and an ageing workforce) are all issues contracting authorities are facing, along with having to do more with less.[71] ICE said that, at present, commercial and procurement expertise across the civil service is limited.[72]

(d) Government and ALBs: ORR acknowledged the capability constraints that public authorities face.[73] Throughout our market study we have heard that competition for specialist talent can drive up wages, and make recruitment challenging in the public sector.

[67] ICE (2026), State of the Nation: Infrastructure in 2026.
[68] Balfour Beatty's response to the CMA's interim report, question 17, p18.
[69] BAM Nuttall's response to the CMA's interim report, question 17, p17.
[70] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p36.
[71] NEPO's response to the CMA's interim report, question 17, p6.
[72] ICE's response to the CMA's interim report, question 17, p9.
[73] ORR's response to the CMA's interim report, p3.

Considerations on design and implementation options

B.62 This section sets out a range of policy options that could be incorporated as part of the civil engineering strategic workforce plans, though we note that governments will be best placed to determine their feasibility and potential effectiveness.

B.63 Governments should consider capacity and capability among public authorities in procurement skills, contract management and supplier engagement, as well as more strategic expertise in market shaping, business case development, and commercial strategy. Engineering skills in cost estimation, technical specification, and scheme development, as well as legal expertise in contract drafting and dispute resolution, should also be included within scope.

Piloting the provision of additional workforce resource

B.64 Targeted pilots could be undertaken to provide specific procuring authorities with additional procurement, commercial and/or engineering expertise, to test where or how the provision of such additional resource or capability would deliver a net positive impact on procurement outcomes. Such pilots could be undertaken on a cost-neutral basis, with the cost of the additional workforce resource offset by equivalent minor reductions in the capital budget of the participating authority.

B.65 There is the potential for a small additional resource to deliver a significant net benefit, particularly if provided to authorities where current capacity is particularly tight; a senior figure in one public body, for example, estimated that the recruitment of a single experienced industry expert had saved them tens of millions of pounds.[74] A pilot approach would provide an evidence base for such potential value to be tested and demonstrated, before any potential commitment to wider rollout. Careful pilot design and evaluation would be an important component in ensuring lessons are sufficiently representative to be applied more broadly.

Greater pay flexibility for procuring bodies

B.66 Public sector pay and reward frameworks can make it difficult to offer remuneration that attracts and retains specialists with required expertise, particularly when private sector employers can offer significantly higher salaries.[75] For example, as GBR is established, government should consider whether it could be afforded greater pay flexibility than Network Rail, which is classified as a public sector organisation and must set remuneration consistent with wider public sector pay policy.[76]

[74] Note of meeting with [✂].
[75] LGA, Local Government Civil Engineering Workforce Strategy and Action Plan | Local Government Association, accessed on 01/05/26.
[76] DfT (2014), Network Rail Framework Agreement.

B.67 Similar considerations apply to local authorities, where multiple stakeholders have highlighted existing pay constraints as a barrier to recruiting and retaining experienced commercial and civil engineering professionals.[77] While greater pay flexibility alone would not close the gap with the private sector, it could meaningfully assist authorities in attracting the specialist talent they need.

Rollout of greater training and support

B.68 Investment in targeted training and practical support should help bolster the quality of procurement decisions and broader delivery of infrastructure projects. This could involve the extension of central government training and support on procurement best practice, as set out in the Construction Playbook and related guidance in the devolved nations[78], to local authorities where we have found there is often more limited awareness and/or adoption of such best practice guidance. LCRIG told us that guidance pitched in a more suitable, targeted way to local authorities could be particularly beneficial.[79]

B.69 We recognise that greater training alone is unlikely to be sufficient, particularly where underlying capacity is severely constrained. The effectiveness of this option is therefore likely to be greatest when delivered alongside other capacity-building measures, rather than as a standalone intervention.

Greater use of interchange and secondment programmes

B.70 Another option is for governments to make greater use of structured interchange programmes which enable staff to move between public sector organisations and, potentially, into and out of industry. Multiple suppliers have been supportive of secondments in response to our interim report,[80] and we note these can help build a more experienced and commercially aware public sector workforce. They can also foster greater mutual understanding between public authorities and private sector suppliers, and in so doing facilitate a more efficient and effective procurement process. Existing examples include the GovXchange programme,[81] and there are further government-backed examples from other sectors which could serve as a blueprint.[82]

B.71 A potential drawback is that releasing experienced staff on secondment can place pressure on already stretched teams. There is also a question of how to manage

[77] Notes of meetings with [✂].
[78] UK Government (2022), The Construction Playbook; The Scottish Government (n.d), Construction Procurement: guidance for public sector clients; Northern Ireland Department of Finance (2022), Sourcing and Construction Toolkits; and Welsh Government (2024), Procurement Act 2023 guidance documents.
[79] Note of meeting with LCRIG [✂].
[80] Balfour Beatty's response to the CMA's interim report, question 17, p18; Laing O'Rourke's response to the CMA's interim report, question 17, p4; BAM Nuttall's response to the CMA's interim report, question 17, p17.
[81] Civil Service Careers, GovXchange – the local and central government secondment programme, accessed on 10/04/26.
[82] Civil Service Careers, Digital Secondment Programme, accessed on 02/04/26; and UK Government Investments, Secondment Programme, accessed on 02/04/26.

potential conflicts of interest where individuals move between procuring authorities and suppliers. Clear governance frameworks and sufficient backfill and succession planning arrangements would be needed to make interchange programmes workable, and to maintain public confidence in the integrity of procurement processes.

Improving talent pipelines to attract and retain staff

B.72 Local authorities face significant challenges in attracting and retaining specialist procurement and civil engineering talent.[83] Competition from the private sector, major national programmes, and the geographic concentration of opportunity – particularly in London – creates an uneven distribution of skills across the country. We have learnt during this market study that public authorities frequently invest in recruiting and developing staff, only to lose them to the private sector once they have reached a sufficient level of competence and can command higher salaries elsewhere.[84] This represents a poor return on public investment in training, and compounds the capability constraints we have identified. Addressing retention requires not only the pay flexibility measures set out above, but a more strategic approach to talent pipelines and mobility across the sector.

B.73 Governments should look to strengthen existing initiatives that support entry into public procurement and civil engineering careers – which could include greater use of apprenticeship and graduate programmes, with mobility across different roles and public sector organisations.

B.74 Governments should also consider extending the reach of existing profession networks and organisations – such as the UK Government Commercial Function – to local authority employees. This would also facilitate access to a greater talent pool for local government (including through secondments), increase the reach of central training programmes and resources, and widen the pool of expertise available across the public sector. Increasing opportunities for talent mobility will also help recruit and retain talented individuals within the public sector through greater personal and career development.

B.75 The principal drawback of this option is the lead time needed before benefits are felt. Talent pipeline initiatives, such as apprenticeships and profession networks, build capability gradually and are unlikely to address the capacity constraints facing local authorities in the near term. There is also the potential that investing in training and development exacerbates the risk that better-qualified staff are harder to retain as they become more attractive to private sector employers. Without accompanying progress on pay and reward flexibility, pipeline measures alone are

[83] 76% of local authorities find it difficult to recruit staff with suitable experience in civil engineering and 43% find it difficult to retain staff (DfT (2023), Local Authority Capacity and Capability Research Report).
[84] Local authorities are struggling with unfilled vacancies, skills shortages, and increasing retention challenges. See LGA Local Government Civil Engineering Workforce Strategy and Action Plan, accessed on 02/04/26.

unlikely to be sufficient. Governments should therefore treat these initiatives as complementary to, rather than a substitute for, other options set out in this section.

Improving digital and AI capabilities

B.76 Digital tools, automation, and AI offer a range of opportunities to strengthen civil engineering procurement, improving data-driven decision-making, pipeline visibility, cost estimating and programme control.[85] Governments could support local authorities to maximise these gains by sharing practical AI training and guidance. This is particularly important given the capacity constraints identified throughout this report, where well-deployed technology can extend the reach of limited in-house resource.

B.77 However, effective use of AI requires sufficient capacity and human expertise to review and challenge its outputs. Governments should issue clear guidance on the appropriate and inappropriate uses of AI in procurement, and this principle should sit at the heart of any training offered to public authorities.

Recommendation 7 – Cross-authority pooling of capacity[86]

We recommend that the UK, Scottish and Welsh governments ensure that all local authorities have sufficient access to sources of pooled capacity to support their road procurement and contracting activities. Governments should evaluate, and report on, demand for and use of pooled capacity on an annual basis, and address gaps identified.

Overview of our recommendation

B.78 Efforts to build individual local authority capability are important. Many local authorities rely on external consultancy which can be costly, hinder the ability to effectively scrutinise external advice, and inhibit the development of enduring capability within the public sector.[87] However, we recognise that some public authorities will never develop the full breadth and depth of expertise needed to procure complex civil engineering contracts effectively, particularly those with lower volumes of procurement activity.[88]

B.79 Alongside the strategic workforce plan recommendation we set out above, this recommendation should support local authorities' access to pooled resources with procurement, commercial, legal, and civil engineering expertise. This would

[85] An example of AI guidance can be found at Public Contracts Scotland, Information & Support: Guidance on the use of Artificial Intelligence (AI), accessed on 02/04/26.
[86] Note that, in Northern Ireland, procurement of road and rail infrastructure is already centralised under Northern Ireland's Department for Infrastructure and Translink respectively.
[87] Balfour Beatty's response to the CMA's interim report, question 17, p18.
[88] LGA, Local Government Civil Engineering Workforce Strategy and Action Plan, accessed on 02/04/26.

provide authorities with specialist support without requiring every organisation to develop and maintain the full range of skills in-house, and thus make more effective use of specialist skills in the public sector. It should also reduce reliance on external consultancy and associated costs when it is appropriate for such services to be delivered in-house. This can also facilitate effective joint procurement (see next recommendation).

B.80 To establish where pooled capability is needed most, governments should review local authorities' access to additional capacity to establish whether they hold the key disciplines needed for effective civil engineering procurement. This would build on the insights from Recommendation 6 – highlighting where workforce resources, skills, and capabilities need to improve – and how existing pooled capacity could be matched to this need. Analysis of trends in consultancy spend could also be used to identify whether pooled capacity could be a viable alternative source of skills and expertise in certain areas.

B.81 As set out in chapter 3 of the main report, the procurement capability of local authorities varies substantially. Authorities at the lower end of the distribution face the greatest risk of poor value for money outcomes, and targeted pooling arrangements that direct shared resource towards these authorities offer significant scope to raise aggregate performance. The potential gains from, for example, raising capability of local authorities where it is currently weaker closer to the level of the highest performers could alone drive considerable improvements in outcomes across the sector as a whole.

Summary of reasons for this recommendation

B.82 Multiple stakeholders expressed support for our interim report proposal for potential initiatives to pool public sector capacity.[89] For example, Balfour Beatty said that pools could be delivered through shared regional or sub-regional expert teams or centralised government functions or specialist capabilities.[90] In a CAIP capacity workshop, strategic regional support teams were discussed to identify opportunities for pooled commercial functions.[91]

B.83 Transport Scotland welcomed the concept of pooled capacity to create centres of excellence, but did raise concerns around resource challenges, conflicts of interest, funding mechanisms, variable role requirements, and differing processes.[92] In light of such challenges, we consider that the range of

[89] Mott MacDonald's response to the CMA's interim report, question 18, p9; CECA's response to the CMA's interim report, question 18, p6; and ACE's response to the CMA's interim report, question 18, p10.
[90] Balfour Beatty's response to the CMA's interim report, question 18, p19.
[91] CAIP's submission to the CMA [✂].
[92] Transport Scotland's response to the CMA's interim report, p3.

mechanisms set out below appear more appropriate than, for example, requiring governments to establish centres of excellence.

Considerations on design and implementation options

B.84 Reflecting the variation in capacity and capability across local authorities, the purpose of this recommendation is to help ensure authorities have access to expertise and support where needed and demanded (and not to impose any disproportionate obligations or burdens).

B.85 Where gaps are identified, governments can take an active role in facilitating solutions rather than leaving authorities to resolve them independently. In the first instance, governments could look to build on and, where necessary, boost the resource of existing networks, partnerships, and bodies that are already operating effectively, recognising that strengthening these is likely to be faster and more cost-effective than establishing new structures from scratch. Where such existing mechanisms cannot be extended to fill the gap, governments can support the creation of new pooling arrangements.

B.86 We note that there are a variety of existing and potential mechanisms for providing support as set out below, with the appropriate mechanisms varying by area and circumstance:

(a) **Combined Authority Infrastructure Partnership (CAIP)** (England) – CAIP is a voluntary partnership of combined authorities working collectively on infrastructure delivery across regions, and is already actively exploring opportunities to pool capability both between combined authorities and among local authorities within each combined authority's area.[93] As the UK government's devolution agenda advances and combined authorities become more firmly established across England, CAIP is well placed to play an increasingly significant role in coordinating and implementing pooled capacity arrangements – making it a natural partner for government in delivering this recommendation.[94] The RIA also recommended engaging with this group as they have been exploring how to develop combined authority capability.[95]

(b) **Local Partnerships (LP)** (England and Wales) – LP is an in-house public sector delivery partner jointly owned by the LGA, HMT, and Welsh Government. LP provide expert advice and practical resources alongside project and programme delivery support,[96] including bespoke strategic

[93] CAIP's submission to the CMA [✂].
[94] Ministry of Housing, Communities & Local Government (2024), English Devolution White Paper.
[95] RIA's response to the CMA's interim report, p2.
[96] Local Partnerships, About Local Partnerships, accessed on 02/04/26.

support for local and combined authorities[97] and assurance over operations.[98]

(c) **Government Commercial Function (GCF)** (England) – The GCF is a cross-government network procuring or supporting the procurement of goods and services for the government.[99] Expanding the GCF membership to relevant local government colleagues could enhance local skills and facilitate GCF information sharing. The GCF should also utilise the newly established Government Commercial Agency (GCA) to support local authorities.[100]

(d) **Scotland Excel** (Scotland) – Scotland Excel carries out a range of procurement functions on behalf of councils and associate members, and has delivered substantive savings through its offer.[101]

(e) **SCOTS** (Scotland) - The Scottish Collaboration of Transportation Specialists (SCOTS) is a strategic collaborative body representing Scotland's 32 local authorities and seven regional transport partnerships,[102] and was noted as an effective partner during our stakeholder engagement.[103]

(f) **Agreements between neighbouring local authorities** (England, Scotland, Wales) – Local authorities can pool procurement capacity directly with neighbouring partners, and existing civil engineering examples demonstrate this model works.

(g) **New arrangements put in place by government** (England, Scotland, Wales) – Governments may wish to implement new measures to pool capacity, such as centres of excellences at a regional or national level. ICE suggested that a roving delivery team could support departments and client organisations by complementing internal capacity and that this function should be established within NISTA, and drew comparison with a New Zealand case study where this has been effective.[104] ICE also notes that National Highways could potentially act as a 'knowledge hub' to share its asset management expertise with local authorities.[105]

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[97] Local Partnerships, Local Partnerships Impact Report 2024-25, accessed 02/04/26. For example, Local Partnerships supported Peterborough City Council and the Combined Authority to secure government approval of the Full Business Case for the regeneration of the Station Quarter – a £47.8m project to deliver new public spaces, improved active travel routes, a western entrance, and station improvements.
[98] For example, see Local Partnerships, Tamar Crossings, accessed on 02/04/26.
[99] GCF, Government Commercial Function, accessed on 02/04/26.
[100] GCF (2026), Introducing the Government Commercial Function (GCF) Strategy 2026-29.
[101] For example, the savings Angus Council has benefited from during 2023/24, as a result of using Scotland Excel's frameworks, amounted to £180,000 against open market pricing. Angus Council, Annual Procurement Report 2023-24, p8.
[102] The Scottish Collaboration of Transportation Specialists, SCOTS, accessed on 15/04/26.
[103] Two local authorities in Scotland said that SCOTS could be used as an effective partner to facilitate capability building in Scotland. Notes of meetings with [✂].
[104] ICE's response to the CMA's interim report, question 17, pp9-10.
[105] ICE (2026), State of the Nation: Infrastructure in 2026.

(h) **Use of existing networks** (England, Scotland, Wales) – Other measures could include greater use of pre-existing networks. These include the Association of Directors of Environment, Economy, Planning & Transport (ADEPT – a membership based professional organisation),[106] and the Local Council Road Innovation Group (LCRIG – a community interest company that creates opportunities for collaboration across the highways sector).[107]

Recommendation 8 – Cross-authority joint procurement[108]

(i) We recommend that the UK, Scottish and Welsh governments work with local authorities in their respective nations to identify and pursue further opportunities for joint procurement of road infrastructure. Governments should publish on an annual basis where they have facilitated joint procurement amongst local authorities and disseminate key learnings with local authorities.

(ii) We recommend that Network Rail[109] identify and pursue opportunities for more centralised procurement across the five Network Rail regions. The UK government should ensure, where appropriate, effective joint procurement is utilised between regions, and in collaboration with the Scottish Government and the Welsh Government.

Overview of our recommendation

B.87 Joint procurement is a process whereby two or more public authorities procure civil engineering goods or services, either through jointly negotiating contracts via an existing framework agreement or through a joint open tender process. For the avoidance of doubt, joint procurement as used here does not refer simply to authorities collaborating through the use of shared frameworks, but means actively procuring together. The aim of this recommendation is to encourage and facilitate more effective joint procurement of this kind.

B.88 When joint procurement is exercised effectively, we would expect public authorities to collaborate on mutually beneficial projects, such as public road or rail schemes that cross regional boundaries, or programmes of similar works where coordinated delivery offers clear advantages.

B.89 In both road and rail, we have found that there are examples of where joint procurement is already occurring, but there appears to be considerable scope for, and benefits to be gained from, further use. Reflecting on economic theory and the

[106] The Association of Directors of Environment, Economy, Planning & Transport, About ADEPT, accessed on 07/05/26.
[107] The Local Council Roads Innovation Group, LCRIG, accessed on 07/05/26.
[108] Note that in Northern Ireland, procurement of road and rail infrastructure is already centralised under Northern Ireland's Department for Infrastructure and Translink respectively.
[109] And Great British Railways once operationalised.

evidence we have received throughout this market study, the benefits of joint procurement include:

(a) **Greater public authority buyer power**: Joint procurement consolidates the purchasing requirements of multiple public authorities, creating a larger and more attractive contract or framework for suppliers. This increased scale also strengthens the negotiating position of participating authorities, enabling them to secure more favourable contract terms, pricing and service levels than a single authority could achieve.

(b) **Improved value for money**: By aggregating demand across authorities, joint procurement typically results in lower unit costs through economies of scale. Administrative and legal costs associated with running a procurement exercise are also shared between participating authorities, reducing the financial burden on each. Beyond direct cost savings, coordinated or jointly conducted procurement can also help smooth demand over time.[110] Without coordination, public authorities can find themselves competing against one another for the same supplier capacity; driving up costs for taxpayers. Joint procurement can mitigate this risk and deliver a more stable, cost-effective market.

(c) **Avoidance of duplication**: Without effective joint procurement, multiple public authorities may independently run separate procurement exercises, including frameworks for the same or similar goods and services, and waste resources and lead to suppliers not getting sufficient work through a framework. Joint procurement can eliminate this duplication by consolidating these exercises into a single coordinated process, freeing up time and reducing the overall administrative burden across participating authorities.

(d) **Encouraging innovation**: Larger, aggregated contracts and frameworks could, under the right circumstances, attract a broader and more diverse supplier market, including suppliers who may not otherwise bid on smaller, single-authority contracts. This increased competition may encourage suppliers to differentiate their offerings and bring forward more innovative solutions, ultimately driving higher quality outcomes.[111]

Summary of reasons for this recommendation

B.90 There was broad support from stakeholders for more use of joint procurement in both public road and rail. Amey said there is greater scope for different local authorities to become joint parties under framework agreements, or for one authority to be the lead party with others able to call off work under the

[110] Balfour Beatty's response to the CMA's interim report, question 18, p19.
[111] Further benefits of collective procurement are discussed in ICE (2026), State of the Nation: Infrastructure in 2026.

framework.[112] Costain stated that greater use of joint procurements would reduce the burden on the supply chain of bidding for contracts with public authorities.[113]

B.91 In road, there are many local authorities that are part of the same framework, but our evidence suggests that there could be scope for more joint purchasing.[114] We see very few examples of joint procurement through an open tender but, where we have, these procurement exercises have been successful and delivered value for money. Warwickshire County, Coventry City and Solihull Metropolitan Borough Councils jointly procured and renewed their highways maintenance contract in 2026, and this joint venture is expected to continue to drive value for money and greater levels of innovation.[115] When deciding whether to renew the contract, Coventry City Council was clear that the economies of scale delivered through the joint contract achieve greater value for money than if it went to open tender alone.[116]

B.92 In rail, the Rail Forum said that the coordination of bids from different Network Rail regions would be helpful.[117] The RIA indicated that joint procurement would deliver material benefits, and that 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.[118]

B.93 However, SCAPE did raise concerns that joint procurement could deter SME participation.[119] When looking to facilitate joint procurement, government and local authorities should be mindful of this risk, and look to mitigate it through, for example, effective early engagement with SMEs, and the design of frameworks and tenders with lots that are sized and scoped to remain accessible for SMEs.

Considerations on design and implementation options

B.94 Governments could facilitate greater joint procurement through a number of potential avenues:

(a) **Working with existing organisations**: The UK government could collaborate with organisations such as CAIP and Local Partnerships to encourage more joint procurement among English local authorities. The Scottish Government could utilise the Scottish Government Civil Engineering

[112] Amey's response to the CMA's interim report, question 18, p5.
[113] Costain's response to the CMA's interim report, question 18, p5.
[114] Amey's response to the CMA's interim report, q18, p5.
[115] Warwickshire County Council, Seven-year contract awarded for Warwickshire's highways maintenance, accessed on 02/04/26.
[116] Coventry City Council (2025), Highway Maintenance Contract - 2026, p4.
[117] Rail Forum's response to the CMA's interim report, question 18, p6.
[118] RIA's response to the CMA's interim report, question 18, p9.
[119] SCAPE's response to the CMA's interim report, question 18, p6.

Framework and Dynamic Purchasing System,[120] Excel Scotland and SCOTS. Welsh Government could encourage collaboration via organisations such as Ardal.[121]

(b) **Aligning timelines:** Joint procurement is more feasible when public authorities can plan together from an early stage. Authorities would benefit from alignment of procurement calendars and forward programmes,[122] and through closer connections with neighbouring regions at both working and senior level.[123]

(c) **Utilising the devolution strategy**: In England, mayoral combined authorities (MCAs) are well-placed to play a greater role in facilitating joint procurement, both within the MCA and between MCAs. At present, local authorities often pursue procurement independently, without fully exploiting the coordination opportunities that MCA structures make possible. The formation of new strategic authorities represents a further opportunity to embed joint procurement requirements from the outset, before procurement practices become entrenched.[124]

(d) **Making better use of framework providers**: Government operated frameworks such as those offered by GCA and Scotland Excel could play a greater role in structuring their frameworks to actively encourage joint call-offs, rather than treating individual authority access as the default. This could involve working proactively with local authorities to identify where there is scope to sufficiently align programmes to support a single procurement.

B.95 We heard from a number of stakeholders that changing the behaviours and working practices of local authorities can be challenging. Some of these barriers may include unclear accountability,[125] which in turn can reduce motivation, particularly for first-time attempts, and preference for relying on existing processes due to capacity constraints.[126] Publication on an annual basis of details of where and how governments have facilitated joint procurement, and disseminating key learnings with local authorities, should play a role in addressing some of these challenges. Governments could also consider structuring some funding streams in a way that would support or incentivise greater joint procurement.

B.96 In rail, there are opportunities for more coordinated and centralised procurement by Network Rail (and thereafter GBR) across the five Network Rail regions, and with the Scottish and Welsh governments. Identifying and acting on joint

[120] Transport Scotland's response to the CMA's interim report, p3.
[121] The City of Cardiff Council, About Ardal, accessed on 10/04/26.
[122] Balfour Beatty's response to the CMA's interim report, question 18, p19.
[123] Notes of meetings with [✂].
[124] MHCLG (2025), Local government reorganisation: Policy and programme updates.
[125] Laing O'Rourke's response to the CMA's interim report, question 18.
[126] Note of a meeting with LCRIG [✂].

procurement opportunities across the UK would involve more centralised procurement than under the current approach where each Network Rail region tends to procure civil engineering goods and services on a local basis, albeit with frameworks and contracts continuing to make use of geographical lots and other features that reflect varying local needs.

B.97 Whilst implementing joint procurement requires an initial investment of time and resource, particularly in establishing coordination structures and aligning the requirements of participating authorities and adjusting behaviours, the long-term benefits are considerable. For example, in Control Period 6, Network Rail implemented improvements in its contract strategies which included enhanced collaboration between its regions to consolidate duplicate contracts, strengthen supplier relations, share expert knowledge and, ultimately, contribute to £859 million in efficiency savings.[127]

Procurement policy and approaches

B.98 Procurement policy, culture and practice play a fundamental role in shaping the incentives faced by public procurers and firms – and, as the primary buyer, how government conducts procurement will fundamentally influence the wider shape and dynamism of the market. Government's approach to procurement can thus drive and harness competitive practices, support innovation and encourage firm scale-up and market dynamism. This needs to be driven through both the procurement policy environment and individual procurement decisions.

B.99 One particular area we have considered is how procuring authorities can be supported and incentivised to focus on maximising value over the longer term, including through incentivising innovation and investment, and bring down system costs. Another area is how best practice in procurement can be adopted more widely, as we have found that although best practice is generally widely known and understood it is not consistently adhered to.

B.100 There are also a range of related and further procurement policies and issues we have explored, with a particular focus on how competition could be made to operate more effectively. These include: the balance between competitive pressures and efficiency in the tendering process – including the balance between the use of open competition and the use of procurement frameworks; and where procurement frameworks are used, how competitive pressure could be more effectively utilised.

B.101 The measures we recommend to address these issues are set out below.

[127] ORR (2025), Annual efficiency and finance assessment of Network Rail 2025, p30.

Recommendation 9 – Adoption of best practice guidance

We recommend that the UK government should mandate compliance with the Construction Playbook and its accompanying Guidance Notes – ending the current 'comply or explain' approach – for national procuring authorities.

Similarly, the Scottish and Welsh governments and Northern Ireland Executive should mandate compliance with the Client Guide, Transport Appraisal Guidance, and Construction Toolkit for national procuring authorities.

As part of this, governments should publish a comprehensive implementation plan for how they will support and ensure compliance, and monitor and report on compliance on an ongoing basis.

Overview of our recommendation

B.102 The policies of the Construction Playbook, Client Guide, Transport Appraisal Guidance, and Construction Toolkit bring together policy and commercial best practices to support procuring authorities to achieve maximum value from projects procured. The Construction Playbook, in particular, reflects deep engagement and consensus across industry and government, but it is currently only applied on a 'comply or explain' basis.

B.103 We have heard that best practice is not applied consistently, resulting in a failure of the public sector to deploy best practice in a range of areas, from use of outcome-based specifications and early supplier involvement to risk allocation.[128] Our evidence gathering found that there is currently minimal data on, or tracking of, levels of compliance with the Construction Playbook and its key policies, or provision of explanations where it is not complied with. One national authority estimated that it has hit 75-80% compliance with the Construction Playbook, but noted that it does not monitor compliance as well as it could.[129]

B.104 Our stakeholder engagement showed strong support among industry representatives and firms in the supply chain for the Construction Playbook.[130] We have not seen evidence to suggest there is a compelling reason why compliance should be optional rather than compulsory (as is the case, for example, for the

[128] Skanska's response to the CMA's interim report, question 5.
[129] Note of a meeting with [✂].
[130] For example, ICE expressed support for this recommendation, and supported mandating the use of the major project set-up toolkit in addition to the broader Construction Playbook. Amey ranked consistent adoption of best-practice procurement guidance as the most important of the proposed measures from the CMA's interim report. BAM Nuttall said that consistent and transparent implementation of existing best practice would materially enhance the impact of the CMA's measures across procuring authorities. Skanska supported the CMA's interim view that a more consistent application of established guidance would help improve outcomes across the sector. Institute of Civil Engineers' response to the CMA's interim report, question 19. Amey's response to the CMA's interim report, question 13. BAM Nuttall's response to the CMA's interim report, question 14. Skanska's response to the CMA's interim report, page 3.

Green Book[131]). Based on the evidence we have collected, we would expect that if the best practice it set outs were consistently followed then the positive impact on market outcomes would be significant.

B.105 As part of ensuring impact, the UK, Scottish and Welsh governments and Northern Ireland Executive should publish comprehensive implementation plans for how they will support and ensure compliance, and monitor and report on compliance on an ongoing basis.

Summary of reasons for this recommendation

B.106 Several stakeholders showed strong support for making compliance with best practice mandatory.[132] For example, in its response to our interim report consultation, ICE noted that it has long advocated for mandating the use of the Construction Playbook.[133] It also notes that this does not require legislation, but simply involves making Playbook compliance a clear requirement in project/programme business cases.

B.107 We recognise that full compliance with best practice[134] requires behavioural change from public authorities, which may be challenging. For example, one national public authority noted that some staff are set in their ways, making best practice adoption harder, and emphasised the need to encourage behavioural and cultural change across the industry.[135]

B.108 Respondents to our interim report consultation noted various measures that could support consistent adoption of best practice. For example:

(a) Greater certainty around funding or multi-year funding were noted as key requirements for enabling more consistent adoption.[136]

(b) Several respondents highlighted the importance of clear leadership and accountability.[137]

(c) One organisation recommended the use of error reduction training as a procurement priority for the adoption of best practice.[138]

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[131] The Green Book, HM Treasury, February 2026.
[132] ICE's response to the CMA's interim report, question 19; Constructing Excellence Gold Standard Task Group and King's College's response to the CMA's interim report, question 19; CECA's response to the CMA's interim report, question 19.
[133] ICE's response to the CMA's interim report, question 19.
[134] Including Construction Playbook (UK), Construction Toolkit (Northern Ireland), Welsh Transport Appraisal Guidance, Client Guide (Scotland).
[135] Note of a meeting with [✂].
[136] Laing O'Rourke and Balfour Beatty's responses to the CMA's interim report, question 19.
[137] Laing O'Rourke, Rail Forum and BAM Nuttall's responses to the CMA's interim report, question 19.
[138] GIRI's response to the CMA's interim report, point 1.

Early market engagement

B.109 Our evidence has highlighted the value of early market engagement and early supply chain involvement in shaping public road and rail projects – with evidence it can improve buildability, delivery confidence, and value for money – and scope for it to be used more widely and effectively.[139]

B.110 We have heard that some public procuring bodies may take a cautious approach to engaging early with suppliers due to perceived competition risks[140] (although two national bodies told us that they were not aware of any legal or competition risk from ECI[141]). We consider that the Construction Playbook and its accompanying Guidance Note on early market engagement and supply chain involvement[142] provide an appropriate approach that, if followed, mitigates this perceived risk.

B.111 Another challenge is that early engagement before government funding is confirmed may increase expectations of future work that cannot be met, which can lead to supply chain scepticism in engaging with contracting authorities. Furthermore, capital budgets are sometimes only confirmed shortly before funding becomes available for use, making it difficult for contracting authorities to plan and procure effectively. It is therefore important that measures that encourage appropriate and effective use of early supplier engagement are combined with greater funding certainty and multi-year capital budgets (Recommendation 3).

B.112 Respondents to the interim report were strongly in favour of more consistent and effective use of early supplier engagement. As part of this:

(a) Several respondents highlighted the importance and benefits of a structured approach to early engagement.[143]

(b) Several respondents noted that early engagement approaches should take into consideration collaborative models, such as Project 13.[144]

(c) A couple of respondents called for better education around the use of early contractor engagement,[145] whilst another respondent noted that early engagement requires transparent feedback and structured dialogue.[146]

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[139] For example, see BAM Nuttall's response to the CMA's interim report, question 5.
[140] CECA's response to the CMA's interim report p4; Response to the CMA's information request [✂]. North East Procurement Organisation (NEPO) also flagged that some Contracting Authorities may be nervous about ECI as they feel that it puts them in 'a weaker position', NEPO's response to the CMA's interim report, question 5.
[141] Responses to the CMA's information requests [✂].
[142] Market, Supplier and Supply Chain Engagement in Construction – Guidance Note, Government Commercial Function, September 2022.
[143] Rail Forum p3, Balfour Beatty p8, CECA p4 and ORR's p3 responses to the CMA's interim report.
[144] Balfour Beatty, BAM Nuttall and Mott MacDonald's responses to the CMA's interim report, question 5.
[145] NEPO's response to the CMA's interim report, p3; Balfour Beatty's response to the CMA's interim report, question 5.
[146] RIA's response to the CMA's interim report, p8.

Considerations on design and implementation options

B.113 Best practice guidance can be designed so that compliance is mandatory but that there is still sufficient flexibility in the application of its principles, processes and actions). The review of the Construction Playbook being undertaken this year can and should result in updates which enable adherence to be made mandatory.[147] The Scottish and Welsh governments and Northern Ireland Executive should conduct similar reviews of the Client Guide, Transport Appraisal Guidance, and Construction Toolkit, to facilitate making adherence to them compulsory.

B.114 The Construction Playbook could be made mandatory by HM Treasury requiring adherence to it, with enforcement and assurance through the existing public spending and accountability framework (as is the case, for example, for Managing Public Money and the Green Book – which are not in statute, but adherence to which is still mandatory for public authorities).[148]

B.115 Governments have a range of options for the degree of involvement of central bodies (such as GCA) in the monitoring and enforcement of best practice. Embedding and focusing compliance checks within existing internal and external governance and assurance, such as within business case stages, Commercial Assurance Boards, and the Treasury Approvals Process (TAP), would minimise any need for additional central resource compared to a more centralised model, as well as empower the parties closest to delivery with responsibility for implementing and assuring best practice.

B.116 A carefully considered and thorough implementation plan will be needed to address any barriers and ensure that compliance happens in practice. This should include:

(a) assessment of where current gaps in compliance exist and why, and setting out measures to address these;

(b) the embedding of best practice compliance within existing spending approvals processes, including as a requirement in business cases;

(c) a strong set of behavioural measures that will support uptake, drive necessary behavioural and cultural change, and ultimately embed best practice;[149] and

[147] For example, this could include noting if/where there are elements which should be considered desirable rather than compulsory (for example, where it wants to encourage innovation in practice across authorities). More broadly, it could align its approach with that taken in other documents to which adherence is mandatory but which involve widespread application of judgment in practice, such as the Green Book.
[148] See for example Managing Public Money, chapter 1.
[149] These can draw on proven organisational, behavioural and change management methods already used across government. These include the Capability–Opportunity–Motivation behaviour (COM-B) framework – which has been applied by the Department for Education (2022), Incorporating COM-B into our work, Public Health England (2020), Achieving behaviour change: A guide for national government; and GCS (2020), Strategic communication: a behavioural

(d) setting out the assistance that will be needed and provided to procuring authorities, including training, application tools and guidance,[150] and any ongoing support.

B.117 The plan should also incorporate feedback mechanisms to identify and address challenges,[151] lessons learnt from the implementation of previous iterations of best practice guidance (such as the current Construction Playbook, from September 2022), and regular reviews and transparent reporting on progress in order to support and drive delivery.

B.118 The following measures could also support implementation of this recommendation:

(a) Governments could consider particularly focusing greater training and support on areas where judgement, and the scope for impact on market outcomes, may be most significant. This could include, for example, the adoption of alliancing models, longer-term contracting, and collaborative approaches to risk management.[152]

(b) The UK government should update the Government Functional Standard for Commercial (GovS008)[153] – which includes mandatory elements, sets expectations and drives consistency in the buying of goods, works and services – in line with the Construction Playbook; and

(c) Governments should update best practice guidance to ensure that project and programme procurement strategies consider using the full range of options enabled by the Procurement Act 2023 (PA23) (including dynamic markets, frameworks, open frameworks, open procedure, and competitive flexible procedure).

B.119 While the measures set out in this recommendation apply to national procuring authorities, governments may also wish to consider how local authorities could be supported to comply with best practice, alongside Recommendations 6-8.

Recommendation 10 – Supporting innovation

We recommend that the UK, Scottish, and Welsh governments and Northern Ireland Executive require all national public authorities to publish, at least every three to

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approach – and the Awareness, Desire, Knowledge, Ability and Reinforcement (ADKAR) model (DBT (2025), Leading with kindness on digital change, engagement and adoption).

[150] For example, LCRIG said that guidance must be appropriately framed for the right audience, and that local authorities for example would benefit from a shortened, checklist-style version covering key points, including advice for situations where typical procurement processes cannot be followed. Note of meeting with LCRIG [✂].

[151] For example, see the Theories of Change template (Tool 10) that can be used to track the system/behaviour change. Government Office for Science (2023), An introductory systems thinking toolkit for civil servants.

[152] For the UK government, this could also include actions to support delivery of its related Risk Allocation and Pricing Approaches (RAPA) guidance note, which provides detailed guidance for contracting authorities on risk allocation.

[153] GCF (2026), Government Functional Standard for Commercial.

five years, target areas for innovation in their supply chains. This should be supported by funding and regular reporting as appropriate.

Overview of our recommendation

B.120 By target areas of innovation, we mean the strategic outcomes which public authorities are targeting for improvement and would like to see from the supply chain, across enhancements, renewals and/or maintenance works. This could cover innovations that authorities would welcome across many different forms such as investment in technologies, new processes, and reducing the carbon footprint of projects.

B.121 Publicising target areas of innovation should increase supplier confidence to invest in alignment with anticipated government demand. Publishing these areas every three to five years should also support clarity by aligning these updates with funding settlement periods. Such target areas could be accompanied with specific funding to aid the development of innovations outside of live projects. Regular reporting on the deployment of innovations should play a role in supporting their wider rollout across the supply chain.

B.122 Alongside this recommendation, several of our other recommendations have a role in supporting innovation by providing suppliers with greater confidence to invest in new technologies or propose creative solutions. In particular:

(a) Sector plan (Recommendation 2) that drives an agenda across public authorities of seeking innovative practices and allowing for unconventional approaches;

(b) Longer-term funding (Recommendation 3) and contracts (Recommendation 4), and transparent pipelines (Recommendation 5) to signal opportunities for investment and rewards for doing so;

(c) Alignment of designers' and procurers' incentives (Recommendation 15) that increases design focus on long-term value and standardisation of designs (Recommendation 14) that drives incentives to invest in and take advantage of achieving economies of scale; and

(d) Streamlined regulatory approvals (Recommendation 18) that allow innovative practices to be adopted in a cost-effective manner, and subsequently spread into the industry.

B.123 Together with other recommendations in our package, this recommendation will also help tackle challenges with the rollout of innovations from initial concept and use to wider adoption across the sector. For example, the upfront targeting of areas for innovation set out here, backed up by a strategic commitment to

incentivise and reward innovations with broad market applications as part of strategic ownership and a sector plan (Recommendations 1 and 2), would link innovations with commitments to embed them in project delivery. Furthermore, increased use of outcome-based approaches (as in Recommendation 15) will enable suppliers to adopt more innovative approaches, and streamlined regulatory approvals (as in Recommendation 18) will shorten time to market for new innovations.

Summary of reasons for this recommendation

B.124 Our evidence highlights that sustained, clear publication of initiatives and target areas for innovation can support investment in innovative practices. For example, the UK government's sustained focus on environmental sustainability appears to have made a real impact in reducing the environmental impact of public road and rail projects over recent years in the initiatives section in Appendix A.

B.125 This recommendation aims to address concerns expressed by several industry stakeholders in their responses to our interim report and through our wider evidence gathering. For example:

(a) As set out in the initiatives section of Appendix A, various stakeholders indicated it is useful for public authorities to provide a steer on specific areas of focus for innovation. For example, one sector panel member described that having greater clarity and focus on an issue can encourage the market to innovate.[154]

(b) Several stakeholders said that having greater certainty of information, including within pipelines, would help them to effectively target investment.[155] Balfour Beatty expressed that uncertainty is constraining the level of innovation in the market.[156] ICE said that innovation has been curtailed due to lack of coordination and certainty for the sector.[157]

(c) When asked about the extent to which costs can be a barrier to innovation, several Tier 1 firms stated that the cost of investments often requires multiple projects to generate a return.[158] A commitment to targeted innovations may

[154] Note of meeting with the sector panel [✂].
[155] Laing O'Rourke stated that carbon targets would be useful information to be included in pipeline transparency to help them plan resourcing (Laing O'Rourke's response to the CMA's interim report, question 16); Amey described that more information in pipelines would allow it to more effectively target investment (Amey's response to the CMA's interim report, question 16); BAM Nuttall described that greater transparency would help R&D and innovation investment (BAM Nuttall's response to the CMA's interim report, question 16); RPA expressed that the establishment of a rolling pipeline, updated annually, would guide industry planning and future investment (RPA's response to the CMA's interim report, p3). The pipeline certainty section also sets out further information on the benefits of pipeline certainty for innovation.
[156] Balfour Beatty's response to the CMA's interim report, question 3.
[157] ICE's response to the CMA's interim report, question 3.
[158] Responses to the CMA's information requests [✂].

help to enable the supply chain to make these investments with greater confidence of being able to apply them on multiple projects.

(d) Several stakeholders said that there can be limited incentives to innovate on projects set by public authorities.[159] SCAPE observed that greater alignment between policy intent, procurement design, and evaluation criteria would make the most difference in improving incentives to innovate and scale.[160]

B.126 As set out in the initiatives section of Appendix A, national public authorities have different approaches to setting out innovation targets or initiatives, with some authorities already engaging in practices similar to our recommendation. For example, National Highways encourages innovations through open competitions and challenge-led statements among other endeavours;[161] Network Rail coordinates innovation activity through its research and development portfolio that is aligned with the Rail Technical Strategy;[162] and both Wales and Scotland have national strategies related to innovation.[163] While each approach has its own merits, a commitment to clearly, transparently, and regularly publishing target areas of innovation would improve consistency across sectors and greater certainty for the supply chain.

B.127 The Procurement Act 2023 allows for greater scope for innovations to be introduced in the contracting process through the new Competitive Flexible Procedure. Emerging data shows that the use of the Competitive Flexible Procedure for procuring innovations is rising in the construction industry, which is a positive sign.[164] In response to our interim report, ACE noted that providing guidance on Procurement Act flexibilities could support innovation adoption.[165]

B.128 The Procurement Act 2023 does not currently apply to Scotland, as 'devolved Scottish authorities' are included in the list of 'excluded authorities'.[166] The framework of regulations in Scotland includes the Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015, and the Procurement (Scotland) Regulations 2016. In Northern Ireland and Wales, there are some differences in the rules that apply, and the Welsh Government has also made its own procurement regulations. Devolved governments could consider providing

[159] Mott MacDonald, Rail Forum and RIA's responses to the CMA's interim report, question 3. Responses to the CMA's information requests [✂].
[160] SCAPE's response to the CMA's interim report, question 3.
[161] National Highways, Challenge-led approach, accessed on 27/02/26.
[162] Rail Technical Strategy, Home, accessed on 02/03/26; and Elec Training, Strategic Engineering Planning and the Future of the UK Rail Workforce: Lessons From the Rail Technical Strategy, accessed on 02/03/26.
[163] Transport Scotland, National Transport Strategy, accessed on 02/03/26; The Scottish Government (2023), National innovation strategy 2023 to 2033: Executive Summary; and Welsh Government (2023), Wales innovates: creating a stronger, fairer, greener Wales.
[164] Open Contracting Partnership (2026), The UK Procurement Act one year on: what does the data tell us?.
[165] ACE's response to the CMA's interim report, question 21, p10.
[166] Cabinet Office (2026), Guidance: Devolved Contracting Authorities.

additional advice on how procurement flexibilities can be applied to encourage innovation.

Considerations on design and implementation options

B.129 This recommendation should involve national road and rail procuring authorities setting out publicly specific areas where they wish to encourage and deliver innovation through their supply chains. This could be done in stand-alone documents, or as part of existing publications. Similarly, regular reporting could be stand-alone, as part of existing regular publications (such as annual reports and accounts), or as part of the broader sector plan annual reporting in Recommendation 2.

B.130 Funding support could be provided as part of existing and/or further initiatives. For example, public authorities could introduce 'challenge prizes' to create direct, financial incentives for innovative problem solving. By transparently defining outcome-based criteria, authorities can encourage a wide range of suppliers to propose new solutions, with prizes and structured support offered to the best ideas.[167]

B.131 Implementation of this recommendation would be supported by future iterations of Procurement Act Guidance that encourage more consistent use of procurement through the new Competitive Flexible Procedure, with examples of where innovations have been successfully used, which incentivises innovation on the demand side of the market. This will allow procuring authorities to clearly identify the types of innovation they would like to see. This closely aligns with our Recommendation 15, as we consider that by aligning designers' incentives with their own, procuring authorities can encourage suppliers to develop innovations that meet the needs of these demands.

B.132 Such measures can target those innovations that deliver benefits across a wide range of projects rather than the individual projects that suppliers are often incentivised to focus on. This can then be strengthened by contracting for innovation to ensure that innovative bids, should they be selected for procurement at least partly on the basis of innovative approaches they proposed, carry forward those proposals into project delivery.

[167] One example of such scheme is Nesta's Challenge Prize. Nesta, Challenge prizes, accessed on 07/04/26. See also Nesta (2012), Challenge prizes landscape review.

Recommendation 11 – Use of frameworks

We recommend that the UK, Scottish and Welsh governments and Northern Ireland Executive ensure that all future road and rail national public procurement frameworks adhere to the Gold Standards set out in the 2021 Mosey review.[168]

Overview of our recommendation

B.133 The 2021 Mosey Review ('Constructing the Gold Standard – An Independent Review of Public Sector Construction Frameworks') was comprehensive in its review of public sector construction frameworks. This recommendation will help to ensure that the Gold Standards for frameworks that it set out – and which were endorsed in full in the Construction Playbook[169] – are implemented. These standards include, but are not limited to: ensuring that frameworks offer sustainable pipelines of work; the use of early supply chain involvement; the award of longer-term contracts, and the incentive of additional work; the use of outcomes-based specifications; and best practice allocation of risk.[170]

B.134 This recommendation is focused on national public procurement frameworks, by which we mean those set up by central government departments and arms-length bodies, and not by local authorities.

B.135 This recommendation complements Recommendation 9 on adoption of best practice – noting that the Construction Playbook endorses all 24 recommendations that the Mosey Review set out.

Summary of reasons for this recommendation

B.136 Our engagement with industry showed clearly that, despite for example the Construction Playbook's endorsement of the Mosey Review's recommendations, there remains considerable scope for improvement in the use of frameworks, particularly on issues such as duplication of framework coverage, and limited realisation of work through frameworks.

B.137 Respondents to our interim report consultation set out a number of different ways that frameworks could be used more effectively.

(a) CECA submitted that frameworks should be based on clear, funded pipelines,[171] with suppliers claiming that while there is a degree of certainty,

[168] Gold Standard Report.
[169] The Construction Playbook, p49.
[170] Gold Standard Report, pp5-10.
[171] CECA's response to the CMA's interim report.

there is also a lack of funding being released through them which impacts confidence in their use.

(b) Mott MacDonald highlighted that frameworks over 4-5 years which set the supplier options in stone is a key barrier.[172] This poses a challenge for realising the potential benefits of long-term contracting while also ensuring opportunities are afforded to other companies in the market.

(c) Several respondents highlighted the importance of dynamic frameworks or markets.[173]

(d) Two respondents noted that framework design should be simple and appropriate for SMEs.[174]

(e) One respondent advocated for greater use of flexibility afforded under the Procurement Act 2023.[175]

(f) Two respondents called for less use or limits on mini competition.[176]

B.138 Participants in the qualitative market research with Tier 2 and Tier 3 suppliers raised concerns about the rigidity of frameworks, noting that frameworks and portals used for bidding hindered direct engagement between the client and potential suppliers.[177] Participants noted that contracts were often focused on price,[178] although some framework tenders now put more emphasis on quality. Tier 2 and Tier 3 firms called for lower bureaucracy, which could disproportionately benefit smaller firms because bureaucracy acted as a barrier to them when bidding. Firms also called for a central portal to reduce the repetitiveness of submissions. Another suggestion was for frameworks to be split into specialisms that took into consideration niche services provided by smaller firms.[179]

B.139 The Procurement Act 2023[180] (PA23), which came into force on 24 February 2025, changed the rules that shape how public bodies buy goods and services across the UK. PA23 is intended to improve the way public procurement is done. It sets out a range of flexibilities in procurement, that are intended to champion change across government and the wider public sector. For example, these include:

(a) **Open framework**. This is a scheme of successive frameworks awarded on substantially the same terms. An open framework provides contracting

[172] Mott MacDonald's response to the CMA's interim report.
[173] FSB p4, Rail Forum p2, Balfour Beatty p9 and Amey's p3 responses to the CMA's interim report.
[174] ACE p6 and Rail Forum's p3 responses to the CMA's interim report.
[175] Rail Forum's response to the CMA's interim report, p3.
[176] Costain's response to the CMA's interim report, question 7; and Balfour Beatty's response to the CMA's interim report, p9.
[177] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p8.
[178] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p35.
[179] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p70.
[180] Procurement Act 2023, section 13.

authorities with the flexibility to appoint new suppliers when the framework is re-opened.[181]

(b) **Dynamic markets.** These are lists of qualified suppliers (those who have met the 'conditions for membership') who are eligible to participate in future procurements. They must remain open to new suppliers of goods, services, and works to join at any time.[182]

(c) **The competitive flexible procedure**: which 'provides greater flexibility to design a multi-stage process that will best fit organisational objectives, local needs and the nature of the market rather than being constrained by prescriptive procedures that may not achieve the best outcome'.[183]

B.140 The UK government ran a consultation on further reforms to public procurement from June to September 2025, to which the CMA provided a submission,[184] with the government's response subsequently published in March 2026.[185] It has also announced a set of measures to leverage procurement budgets to drive innovation, including the appointment of a senior Procurement Innovation Champion at each government department, the launch of an Innovation Marketplace to fast-track innovative solutions and the expanded use of Advanced Market Commitments.[186]

Considerations on design and implementation options

B.141 This recommendation could be delivered by ensuring that all national public procuring authorities which procure frameworks or framework alliances seek and receive Full Gold Standard Verification from the Gold Standard Verification Scheme, run by Constructing Excellence.[187] At present, there are eight Gold Standard Verified Organisations and four Partially Verified Organisations.[188]

B.142 Governments will need to ensure there is sufficient capacity within that Scheme to deliver the uplift in verifications that this would involve.

B.143 More broadly governments will need to ensure that, beyond verification, the procurement and operation of individual frameworks that verified organisations set up meet the Gold Standards on an ongoing basis – aligning with Recommendation 9 on the adoption of best practice.

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[181] Cabinet Office (2026), Guidance: Frameworks.
[182] Cabinet Office (2026), Guidance: Dynamic Markets.
[183] GCF (2024), Module 4: Competitive flexible procedure.
[184] CMA (2025), CMA response to the Cabinet Office's public procurement consultation.
[185] Cabinet Office (2025), Public Procurement: Growing British industry, jobs and skills - consultation on further reforms to public procurement.
[186] HM Treasury (2025), Entrepreneurship in the UK.
[187] Verifying the Gold Standard of Construction Procurement, King's College London, 5 August 2024.
[188] Constructing Excellence, Constructing the Gold Standard Verification Scheme, accessed on 10/05/26.

B.144 Governments could also consider whether they should go further than our recommendation – by requiring that all frameworks used by national public procuring authorities (including those set up by private providers) meet Gold Standards. We note that this would, for example, need to be balanced against the demands this would place on the existing verification system.

B.145 The measures set out in this recommendation apply to national procuring authorities. However, the UK, Scottish and Welsh governments may also wish to consider how local authorities could be supported to receive Full Gold Standard Verification, aided by a process of continuous engagement.

Recommendation 12 – Standardising procurement processes

We recommend that the UK, Scottish and Welsh governments and Northern Ireland Executive each conduct a review to identify opportunities for, and deliver, greater standardisation of procurement processes across procuring authorities.

Overview of our recommendation

B.146 By procuring authorities, we mean and include both national procuring authorities and local authorities that procure public road and rail infrastructure.

B.147 Differences between public authorities' procurement processes represent a substantial source of complexity faced by suppliers. Variations in bidding requirements, evaluation approaches and the inclusion of bespoke additional conditions of contract (eg 'Z clauses' under NEC contracts) increase bidding costs and uncertainty across the system as a whole, and can act to reduce the number of bidders (particularly affecting smaller and newer firms' participation), ultimately weakening competition.

B.148 Some differences will be justified, reflecting for example genuinely differing needs and/or beneficial innovations in approach that could then be rolled out more widely. However, the evidence we have collected suggests that there is greater scope to standardise a range of administrative procurement processes for public road and rail at both a national level and local level, and deliver closer alignment across national and local authorities. Doing so could deliver substantive reductions in system costs and improvements to market outcomes – with greater consistency simplifying supplier engagement, reducing administrative burdens on suppliers, and lowering barriers to entry and growth opportunities.

Summary of reasons for this recommendation

B.149 Respondents to the interim report consultation supported the greater use of standardisation, providing a number of suggestions and areas where procurement processes could become more standardised or simplified.

(a) Several respondents suggested clearer, more consistent use of evaluation criteria,[189] and supported standard forms of contracts.[190]

(b) Several stakeholders said that the procurement process could be made easier for SMEs, for example, by introducing simpler,[191] allowing sufficient time to identify and assess opportunities,[192] and implementing standardised UK-wide accreditations.[193]

(c) One respondent noted that greater standardisation and digitisation would materially reduce bid costs for both clients and suppliers.[194]

(d) One respondent said that the Procurement Act 2023 has already made progress in reducing the number of procurement processes, which has enabled a move away from rigid, multi-stage tenders.[195]

(e) Whilst supportive of standardisation, several respondents submitted that flexibility should be retained during the procurement process.[196]

B.150 Tier 2 and Tier 3 contractors that participated in the qualitative market research noted variability in procurement processes, in part because of different approaches between local authorities and the way they operate compared with centralised national bodies.[197] Some participants expressed a desire for greater standardisation when working with local authorities.[198]

B.151 Other supporting evidence for increasing standardisation includes that provided in the 2021 Mosey Review, which included a range of recommendations for more consistent and proportionate procurement procedures across construction frameworks.[199]

Approach to risk

B.152 Evidence indicates that NEC contracts support the Construction Playbook as they are flexible in how risk is allocated, and the NEC main contracts offer a choice of main and secondary options which can be used to tailor risk to suit the parties.[200]

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[189] Balfour Beatty p21, Laing O'Rourke p5 and SCAPE's p4 responses to the CMA's interim report.
[190] Balfour Beatty p21, ICE p7 and BAM Nuttall's responses to the CMA's interim report, question 20.
[191] Rail Forum's response to the CMA's interim report, p6.
[192] Mott MacDonald's response to the CMA's interim report, p7.
[193] ACE's response to the CMA interim report, p2.
[194] Balfour Beatty's response to the CMA's interim report, p9.
[195] SCAPE's response to the CMA's interim report, p6.
[196] SCAPE p6, Laing O'Rourke p5 and BAM Nuttall's p19 responses to the CMA's interim report.
[197] Jigsaw Research (2026), Qualitative Research with Civil Engineers, pp35-36.
[198] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p71.
[199] Gold Standard Report, pp5-9.
[200] NEC, Insights and White Papers, accessed on 05/05/26.

B.153 The UK government published a set of 'boilerplate' amendments to standard NEC4 construction contracts in January 2019.[201] The provision of such boilerplate amendments for use across public procurers can help to mitigate the risk of poorly drafted and/or excessive clauses which can for example undermine the collaborative ethos built into the NEC suite of standard contracts.

Considerations on design and implementation options

B.154 As significant levels of variation give rise to additional cost and complexity, both at a project and market level, governments and procuring authorities should standardise processes as far as possible. Where an authority does vary its processes, this should reflect a genuine need relating to the requirements of its project, rather than a more general preference for an alternative process.

B.155 Greater standardisation across the procurement lifecycle should incorporate processes, compliance, data and administrative requirements, as well as forms and documents used in supplier submissions and procurer evaluations across public procuring authorities. This should include, for example: wider use of standardised approaches to submission of information – including the Common Assessment Standard (CAS)[202] and the Central Digital Platform (CDP) [203]; greater use of standard forms of contract; more standardised approaches to bid evaluation; and standardised accreditations (see below). Such standardisation should seek to align with more simplified approaches wherever reasonable and should be conducted for approaches to open competition as well as frameworks, where possible.

B.156 We note that there could be potential for artificial intelligence (AI) to be used to significantly increase the ease of comparing detailed processes across multiple authorities, and to generate potential proposals for standardisation.

B.157 We also note this recommendation aligns with the goal in the Government Commercial Function (GCF) Strategy 2026-29 to standardise processes and tools to make them 'frictionless' for customers.[204]

Approach to risk

B.158 The UK government should also consider reviewing and updating its 'boilerplate' amendments for public authorities to use with standard construction contract

[201] Cabinet Office (2021), Standard 'Boilerplate' Amendments.
[202] CAS, developed by Build UK and CECA, is the industry-recognised standardised prequalification questionnaire for construction and infrastructure procurement in the UK, providing consistent assurance of suppliers' quality and organisational capability. The 2021 Mosey review supported the view that widespread adoption of the CAS can reduce procurement costs.
[203] Find a Tender, the central digital platform, is where all UK contracting authorities publish information relating to procurement. It is also the place where identifiers are recorded and/or issued and for suppliers to input their commonly used information, such as accreditations, which can be accessed by all UK contracting authorities.
[204] GCF (2026), Introducing the Government Commercial Function (GCF) Strategy 2026-29.

forms, as published by the Cabinet Office and last updated in October 2020,[205] to help ensure they remain in line with latest government policy and best practice. Such a review and update could help mitigate the risk of individual public authorities applying clauses which undermine the NEC's collaborative ethos and complement the zero-based review of clauses in Recommendation 13.

B.159 This should be supported by engagement of governments and public authorities with NEC and other standard industry construction contract authors, including providing feedback and examples of how they could be revised to further meet public sector needs, to ensure that such requirements are addressed in the next iteration of or amendments to those contract suites.

Recommendation 13 – Improved approach to risk allocation

We recommend that national procuring authorities should conduct a zero-based review of 'Z clauses' in model contracts, to remove historical clauses altering how risk is allocated that are no longer required.

Overview of our recommendation

B.160 By 'Z clauses', we mean additional conditions of contract more broadly, including for example the use of Z clauses in NEC contracts and Schedules of Amendments to JCT contracts.

B.161 As discussed in chapter 3 of the main report and below, our research and market engagement has indicated that in many civil engineering projects there can be inappropriate allocation of risk, often driven by over- or incorrect use of variations from standard industry contract forms (such as Z clauses in NEC contracts), that generates a range of negative market outcomes. These include: raising barriers to participation for smaller and mid-size contractors; higher bid prices and overall system costs; under-pricing of risk by firms, which can lead to disputes; and suboptimal management of risks, including adversarial rather than collaborative behaviour, that leads to higher aggregate costs and delays.

B.162 We have heard evidence that contracting authorities can have a range of such clauses in their model contracts altering how risk is allocated, which can drive inappropriate allocation and unnecessary complexity. A rationalisation and reduction in the number of such contract amendments by public authorities – alongside widespread application of broader best practice as set out in Recommendation 9, to help protect against a re-emergence of over- and inappropriate use in future – should also play an important role in addressing

[205] Cabinet Office (2021), Standard 'Boilerplate' amendments.

negative market outcomes, as well as reducing the administrative burden placed on supply chains.

Summary of reasons for this recommendation

B.163 As set out in Appendix A, our analysis of data provided by six Tier 1 firms identifies that usage of Z clauses by public authorities to amend standard form NEC contracts is common.[206]

B.164 Multiple Tier 1 and Tier 2 contractors noted the use of Z clauses and contract amendments by public authorities as a key factor influencing the misallocation of risk between authorities and suppliers.[207]

B.165 Our engagement raised concerns that there may be a range of historical Z clauses continuing to be adopted as standard by some public procurers, which increase contract complexity, but which are no longer needed – and thus would benefit from review and removal.[208]

B.166 In addition, as discussed further in Appendix A, our engagement also identified concerns that there may be a need for amendments to be made to NEC standard contracts and other standard forms of contract.

Considerations on design and implementation options

B.167 This recommendation should involve all national procuring authorities conducting a review of the Z clauses and contract amendments used to alter their model contracts. This should include identifying and removing amendments from model contracts which are inconsistent with the principles and approach set out in relevant national best practice guidance, including the Construction Playbook in the UK.

The passing of risk down the supply chain

B.168 As noted in chapter 3 of the main report, our stakeholder engagement also highlighted that risk can also be inappropriately or disproportionately passed down the supply chain by Tier 1 contractors, shifting risks allocated to them by contracting authorities onto Tier 2/Tier 3 firms who may be less able to manage them.

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[206] We note that whilst Z clauses are commonly used to amend how risk is allocated, not all Z clauses are used for this purpose.
[207] BAM Nuttall's response to the CMA's interim report, pp11-12, 'NEC is widely used ... however, it is invariably amended and/or includes more Z clauses than the original standard form'; Jigsaw Research (2026), Qualitative Research with Civil Engineers, p10: 'There was often extensive use of subclauses (in particular Z clauses) that increased complexity and liability for Tier 2 and Tier 3 contractors.'
[208] Balfour Beatty's response to the CMA's interim report, p12, BAM Nuttall's response to the CMA's interim report pp11-12.

B.169 We note that tools including back-to-back contracting, which typically includes terms which restrict the ability of primary contractors to disproportionately transfer risk to subcontractors, are used in other industries as a solution to contracting issues arising from inappropriate risk allocation down the supply chain. However, this is not currently featured in the relevant public sector best practice guidance. Government should consider doing so as a potential option for improving risk allocation in the market, including in relation to the UK government's upcoming Construction Playbook update.

Indemnity insurance requirements

B.170 Appendix A also noted examples of disproportionate use of public indemnity insurance requirements, and that our market research found that Tier 2 and 3 firms consider these to be an important barrier. Governments could address this issue for example as part of the next iterations of their best practice procurement guidance.

Recommendation 14 – Standardisation of designs

We recommend that the UK, Scottish and Welsh governments and Northern Ireland Executive should determine and mandate for national procuring authorities the use of a limited set of standard designs for certain road and rail infrastructure outputs (such as bridges, gantries, and other common structures that are repeated across projects).

Overview of our recommendation

B.171 Our evidence gathering and stakeholder engagement highlighted that there is currently widespread reliance in the UK on a bespoke approach to public road and rail infrastructure design; and that there is considerable scope for greater standardisation of designs. This could deliver a wide range of benefits, including: reducing project preparation costs and uncertainties inherent with bespoke approaches; helping to address challenges with 'gold-plating' of designs (as noted below); driving innovation and investment in production, by providing more widespread opportunities for industrialised construction methods; and supporting economies of scale in delivery across projects.

B.172 Multiple stakeholders were supportive of greater standardisation of designs in public road and rail civil engineering in response to our interim report, to improve the speed and cost of delivery.

B.173 Using standard reference designs would also reduce the pressure on procuring authorities' capacity to produce, or commission and challenge, bespoke designs –

an issue that was raised in the CMA's market research.[209] Greater standardisation of designs could also help in mitigating concerns around preferential engineering (see Recommendation 16).

Summary of reasons for this recommendation

B.174 The OECD notes that, due to the lack of standardised international benchmarking in civil engineering in infrastructure, it is difficult to compare project outcomes, specifically the cost per physical unit within a country or internationally with any measure of confidence.[210]

B.175 However, BCG research found that the UK performs poorly internationally in terms of unit costs when it comes to road and rail, with the UK's absolute unit costs higher than all other peer countries in their dataset for both road and rail, and it cites a lack of design standardisation as a driver of this. For example, it notes that for Crossrail there was a decision to design bespoke stations with large and, at times, elaborate designs which significantly reduced repeatability and scaling, driving up unit costs. This compares to France's high speed rail programme, which has used established specifications and technical standards with limited scope for non-standardised changes in design – that has contributed to France having the lowest unit cost for rail infrastructure.[211]

B.176 We also identified examples of greater standardisation in countries other than the UK:

(a) Accenture explained that the UK tends to use more bespoke designs than other countries, noting one example of railway footbridges, where there are thousands of different designs, but far fewer in European countries such as Germany, France and Italy.[212]

(b) AtkinsRéalis also told us that, in their experience, many projects in the UK build in mitigations to anticipated objections, to avoid a risk of challenge, but some of these measures are not necessary, and note that comparatively the UK is much more risk averse.[213] This can lead to unnecessary variations in designs in order to manage perceived risks.

(c) In Germany, standardised designs for railway bridges have been utilised to speed up delivery, helping to save time in planning and approval. Previously, standardised designs for bridges up to 6m have been approved, and the aim

[209] Jigsaw Research (2026), Qualitative research with Civil Engineers, p49.
[210] Note of meeting with OECD [✂].
[211] BCG (2024), Reshaping British Infrastructure: Global Lessons to Improve Project Delivery
[212] Note of meeting with Accenture [✂].
[213] Note of meeting with AtkinsRéalis [✂].

is to increase the clear width to 16 metres to cover the great majority of the Deutsche Bahn AG rail network.[214]

(d) For Montreal's Réseau Express Métropolitain (REM) project – which is an automated light metro service connecting Greater Montreal to its Central Station – standardised station designs were completed for stations at grade, elevated, or underground.[215] By unifying station designs across 26 stations, bespoke work was eliminated, requiring only minor tweaks for new locations. Standardised materials enabled bulk purchasing for all stations.[216]

B.177 ICE has highlighted that as offsite construction becomes more popular, the use of standardised designs is crucial to ensure its success. For example, standard design families for motorway gantries that are adjustable for specific locations but allow automated design and manufacturing processes have improved buildability and reduced cost. ICE explains that similar processes could be used for road and rail bridge construction, though caution there is added complexity due to greater variation in loading, geometry, and aesthetic influences. It considers that a compromise is needed from what might traditionally have been considered an 'optimised design'; for example, it mentions any small concessions made in designing bridges to standard skews, or to modules of fixed span length, will most likely be offset by productivity benefits.[217]

B.178 Stakeholders were generally supportive of potential measures in this area:

(a) TICS told us it considers there would be value in developing a suite of common reference designs which were non-mandatory, as this would facilitate greater standardisation, which facilitates continuous improvement and economies of scale, although design liability in these cases would need to be clear.[218]

(b) However, it highlighted that any standardisation should not override legitimate technical differences (eg tunnel dimensions) which require careful scoping.[219]

(c) Network Rail told us that they have some projects looking at standardisation already. However, they noted that in areas where there are planning or heritage issues (for example with listed structures), it is more difficult to introduce standardisation. They noted that addressing any local planning

[214] BMV-Forschungsnetzwerk, Use of standardised railway bridges to speed up replacement measures, accessed on 08/04/26.
[215] REM, Introducing the Du Ruisseau station (standard model of ground-level station), accessed on 07/05/26.
[216] Transit Center, On Track for Success: Decoding Montreal's REM Model for Efficient Transit Projects in the U.S, accessed on 07/05/26.
[217] ICE (2018), Standard design key to offsite manufacture..
[218] TICS response to the CMA's interim report, question 14, p4.
[219] TICS response to the CMA's interim report, question 1, pp1-2.

blockers could resolve some of these issues.[220] Ongoing government reforms to planning will be crucial to address some of these blockers (see further below).

B.179 Northern Ireland's Construction Toolkit notes that contracting authorities may wish to standardise commonly repeatable elements of design. It highlights that this, alongside appropriate use of longer-term contracts across portfolios, gives the certainty required and makes it commercially viable for suppliers to invest in innovative new technologies and industrialised construction methods – reducing costs and increasing the speed of delivery.[221]

B.180 The benefits of standardisation for infrastructure delivery to reduce costs and increase efficiencies are also well supported in surrounding literature.[222] In line with our recommendation here, BCG has recommended that standardised national approaches for key specifications for each form of infrastructure should be developed, with a high bar to deviate from these.[223]

Considerations on design and implementation options

B.181 This recommendation should be delivered by governments identifying and mandating the use of a limited set of standard designs for a range of repeatable public road and rail infrastructure outputs, or substantial parts thereof. It is for governments to determine the extent to which they do this, noting the trade-offs that would come from reduced flexibility. However, given the size of the potential benefits, we would encourage them to approach this ambitiously.

B.182 While governments could begin with designs applicable to national procuring authorities, they should also consider extending increased standardisation to the local level.

B.183 Areas for standardisation could include those where features are well-understood, and well-suited to production at scale, while excluding areas where authorities are actively seeking innovations in design (see Recommendation 10). As we note under Recommendation 2, the strategic sector plan could set out where greater standardisation should be pursued, and updates on progress against this could be included as part of the annual reporting against that plan.

B.184 Governments should ensure that, when standardising designs, they manage intellectual property appropriately to ensure that competition is not restricted.

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[220] Note of meeting with Network Rail [✂].
[221] Northern Ireland Department of Finance (2022), Sourcing and Construction Toolkits.
[222] Thurston Group (2021), 'Defining the Need' - standardisation in construction; and ICE (2018), Standard design key to offsite manufacture.
[223] BCG (2024), Reshaping British Infrastructure: Global Lessons to Improve Project Delivery.

Recommendation 15 – Alignment of designers' and procurers' incentives

We recommend that the UK, Scottish, and Welsh governments and the Northern Ireland Executive review and strengthen their best practice guidance on aligning external designers' incentives with those of public procurers.

Overview of our recommendation

B.185 As set out in chapter 3 of the main report and below, we found that an over-reliance on design consultants, and the differing incentives between designers and procurers, can push up costs in civil engineering projects, and cause the scope of projects to be expanded beyond what is necessary.[224]

B.186 Improved alignment of designers' incentives with those of procurers would support the development of greater value for money solutions at the design stage and help to mitigate, for example, the potential for designs to be overly risk-averse or gold-plated, not fully address construction challenges, or not sufficiently account for full-life costs.

B.187 Improved guidance and associated public authority procurement behaviours, including more widespread use of approaches including output-based scoping and design and build contracting, should better align incentives between procurers and contractors, and sharpen incentives to focus on outcomes which maximise value for money.

Summary of reasons for this recommendation

B.188 As we discuss in chapter 3 in the main report on public capacity constraints in public road and rail, external consultants can be an effective means of sourcing short-term and specialist input, including on project design.

B.189 However, multiple stakeholders noted a reliance on design consultants across both the road and rail sector,[225] while our evidence (summarised below) has found that design consultants can be overly risk averse which can inflate costs in civil engineering projects. In addition, some stakeholders highlighted how differing incentives between designers and procuring authorities can raise issues during a project. For example:

(a) One public procurer told us that external designers will often put forward more conservative designs as their incentive is to limit their own liability, but this is often hard to challenge without significant in-house resources,

[224] For example: Balfour Beatty's response to the CMA's interim report, question 14, p16; Notes of meetings with [✂]; Jigsaw Research (2026), Qualitative Research with Civil Engineers, p36.
[225] For example: Balfour Beatty's response to the CMA's interim report, p16, question 14; Notes of meetings with [✂]; Jigsaw Research (2026), Qualitative Research with Civil Engineers, p36.

particularly for novel work. They told us that a combination of having a single point of accountability, early contractor involvement, output-based scoping and design and build contracting can help to address this issue.[226]

(b) In the CMA's market research, Tier 2 and Tier 3 firms reported that there is often insufficient in-house skill in public authorities to scrutinise and challenge the designs prepared by consultants or Tier 1 firms, insufficient input from specialists, and insufficient site surveying or understanding.[227] This makes it harder for procuring authorities to anticipate and address the effects of misaligned incentives.

(c) Consultants are often brought in with their own methods that are not appropriate for the requirements needed for public sector projects, and a lack of standardised training means they may not be familiar with the Construction Playbook or other best practice guidance.

(d) Kier highlighted that where clients rely on third party consultants, this can cause issues with project administration, including because consultants may have differing incentives based on their pay structure.[228] This can create an incentive to produce overly risk-averse or 'gold-plated' designs.

(e) BCG's report on Global Lessons for Infrastructure Delivery also mentions that those responsible for operating and maintaining the asset are often not involved in design or construction, resulting in multiple iterations before the asset comes into operation, which they cite as a contributing factor to increased delivery costs.[229]

B.190 A member of our sector panel also indicated that, if public authorities become too reliant on consultants, they may subsequently struggle to retain the continuity of expertise needed to critically assess and, where necessary, challenge information being provided by suppliers.[230]

B.191 The Construction Playbook notes how methods to promote shared incentives between suppliers and contractors (which includes designers) are beneficial. For example:

(a) In respect of suppliers and contractors a shared focus on outcomes, rather than scope, will unlock innovation and drive continuous improvement.[231] This avoids rigid design specifications being locked in, allowing for greater scope for innovation; and

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[226] Note of meeting with [✂].
[227] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p49.
[228] Kier's response to the CMA's information request [✂].
[229] BCG (2024), Reshaping British Infrastructure: Global Lessons to Improve Project Delivery.
[230] Note of meeting with the sector panel [✂].
[231] The Construction Playbook, p30.

(b) In addition, delivery teams, designers and contract managers should be involved early in the process to support commercial and contract design and the transition from procurement to delivery, ensuring adequate time is allocated for each stage.[232]

Design and build

B.192 Although we did not suggest greater use of design and build procurement in our interim report, multiple stakeholders called for greater use of design and build contracts.[233] Design and build contracting involves the supplier being responsible for both the design of a civil engineering project as well as for carrying out the work. Our evidence discussed below highlights how design and build contracts can successfully embed incentives and align design decisions with the efficient delivery of a project.

B.193 In relation to bidding, OECD work on risk pricing efficiency has shown that there can be significant returns in delivery models which allow greater freedom to the bidders in choosing their preferred solution, such as design and build.[234]

B.194 Amey mentioned that design and build contracts within the road and rail sector provide opportunity for improvement of upfront scoping and on-time/on-budget delivery.[235]

B.195 Some contracting authorities are regularly using design and build contracts already.[236] For example:

(a) One local authority highlighted the success of an 18-month major road project. It explained that the project benefited from early contractor involvement and close collaboration with the supplier. It told us that design and delivery remained consistent throughout, without attribution of blame between parties, and the scheme was completed on schedule and within budget, falling within 5-10% of the original estimated cost, inclusive of compensation events;[237]

(b) Transport Scotland also told us that each Project Procurement Strategy develops a contracting approach which, where appropriate, aims to appoint

[232] The Construction Playbook, p70.
[233] Rail Forum's response to the CMA's interim report, question 3, p2; RIA's response to the CMA's interim report, question 6, paragraph 6.6; Balfour Beatty's response to the CMA's interim report, question 21, p13; BAM Nuttall's response to the CMA's interim report question 21, p21.
[234] Kennedy, J. et al. (2018), Risk pricing in infrastructure delivery: making procurement less costly.
[235] Amey's response to the CMA's interim report, question 4, p2.
[236] Notes of meetings with [✂].
[237] Note of meeting with [✂].

Designers (or Delivery Contractors) at an early stage to develop clear and outcome-focused designs and specifications;[238]

(c) M Group also supported the involvement of selected contractors collaboratively during the first stage of the procurement process to finalise detailed designs;[239] and

(d) Similarly, ACE told us that the simplification of contract models including design and build would support SMEs and encourage fair competition.[240]

B.196 We also received some mixed views on the use of design and build procurement, where stakeholders highlighted some of the risks:

(a) The OECD highlighted that it considers that design and build started establishing itself as a gold standard in the 1990s, and that there is evidence to suggest that using design and build methods with lump sum pricing reduces competition and can lead to more costly infrastructure. They explained that this is not to say these methods have no upsides and can be preferred when speed is a priority for example, noting it is well established that design and build methods in road infrastructure can lead to faster delivery;[241] and

(b) ACE also told us that misallocated risk often arises from design and build contracts, compressed timelines, and insufficient early engagement.[242]

B.197 The above suggests that with greater use of design and build, lump sum pricing should only be used with caution.

B.198 Our evidence also suggests that early contractor engagement should be used alongside the use of design and build contracts, to further reduce the risks – in line with Recommendation 9.

B.199 HMT's 2010 Infrastructure Cost Review noted that, in France, the government was increasingly procuring design and build ('Conception-Realisation') projects, and that this was working well alongside early contractor involvement in those projects. It explained that as a result, the contractor is engaged at an earlier stage in the design of the project, and it completes the specifications taking into account all the technical difficulties of building the asset. A French senior civil servant mentioned that 'a Design and Build model allows a better allocation of risks between the client

[238] Transport Scotland's response to the CMA's information request [✂].
[239] M Group response to the CMA's interim report, question 5, p2.
[240] ACE's response to the CMA's interim report, question 22, p11.
[241] Note of meeting with OECD [✂].
[242] ACE's response to the CMA's interim report, question 9, p7.

and the private sector, reduces the interface risk, encourages a better consultation process and helps to keep costs down'.[243]

Output-based scoping

B.200 We also found evidence that setting out the minimum viable product when scoping projects can be useful for aligning incentives. Within our evidence, we have found that rigid design specifications in the procurement process are reducing the scope for innovation in the market and stretching public authority expertise.[244] In response to our interim report, multiple stakeholders cited insufficient design maturity at the point schemes are approved as an issue.[245]

B.201 BCG has set out recommendations for improving delivery in construction, recommending that procuring authorities consider specifications which will ensure the minimum viable product is delivered in order to reduce gold-plating.[246]

B.202 In Canada this approach has been reported as successful. For example, Infrastructure Ontario works closely with each project co-sponsor to develop a set of minimum design-technical requirements in the form of a Project Specific Output Specification (PSOS). The PSOS sets a quality benchmark that constitutes the minimum standard that bidders have to meet and exceed. Research on this method has shown that there is a positive correlation between competitive pricing and quality design under this model.[247]

Considerations on design and implementation options

B.203 We consider this recommendation should be actioned by the UK, Scottish, and Welsh governments and the Northern Ireland Executive as part of updates to the Construction Playbook, Construction Client Guide, Transport Appraisal Guidance and the Construction Toolkit or supplementary guidance, setting out fuller best practice options for the alignment of incentives between designers and procurers during the project life cycle. This should include fuller guidance on best practice use of output-based scoping and design and build procurement.

B.204 As we highlight above, one way in which to better align designers' and procurers' incentives would be through procuring authorities making greater use of design and build procurement which embeds incentives to make the design allow for efficient construction. This also supports the embedding of construction expertise

[243] HM Treasury (2010), Infrastructure cost review: Technical Report, p31.
[244] SCAPE's response to the CMA's interim report question, question 3, pp2-3; RIA's response to the CMA's interim report, question 12, paragraph 7.4.
[245] Mott MacDonald's response to the CMA's interim report, question 4, p5; M Group's response to the CMA's interim report, question 2, p2; BAM Nuttall's response to the CMA's interim report, question 9, p11; Balfour Beatty's response to the CMA's interim report, question 9, p11; ACE's response the CMA's interim report, p1; Laing O'Rourke's response to the CMA's interim report, question 17, p5.
[246] BCG (2024), Reshaping British Infrastructure: Global Lessons to Improve Project Delivery.
[247] Infrastructure Ontario (2017), Infrastructure Ontario's Track Record 2017 Report, p3.

into designs and, when only high-level requirements are set by the procurer, supports scope for innovation.

B.205 Strengthened guidance should also cover the use of outcome-based scoping, which allows flexibility in design whilst preserving public authorities' discretion in project choices, and can encourage innovation and reduce costs. Greater use of outcome-based scoping can reduce pressure on procuring authorities to produce detailed designs without the capacity to do so. It can also reduce the effects of preferential engineering standards (see Recommendation 16).

Regulatory barriers

B.206 The regulatory environment is key for driving investment into the sector and supporting innovation, as well as facilitating entry into markets and cultivating the right environment for successful businesses to scale. Our evidence highlights that costly compliance with regulation and standards is acting as a barrier for new firms to enter the market and grow.

B.207 As we highlight in chapter 4 of the main report, we heard from industry in response to our interim report that Tier 1 firms generally considered regulatory barriers to be less of a problem than other areas of concern.[248] However, multiple stakeholders agreed that there is scope to improve how our regulatory regime works to improve the delivery of civil engineering projects.[249] In the CMA's market research, Tier 2 and Tier 3 participants gave a strong impression that Tier 1 firms were better able to weather the burdens of higher regulatory burdens in rail in particular.[250] We also highlight in Appendix A that in response to the CMA's requests for information, most (11 out of 16) Tier 1 and Tier 2 firms considered 'legal or regulatory barriers' to be a moderate or significant barrier to innovation.[251] This demonstrates the need to ensure that current regulatory processes do not discourage innovation, or prevent smaller firms from entering and scaling in the market (or moving into new sub-markets like devolved nations), so as to increase competitive pressure.

B.208 As such, we have put forward a number of recommendations to address these concerns. This also aligns with the UK government's aim of tackling the complexity and the burden of regulation, reducing uncertainty across the regulatory system and challenging risk aversion.[252]

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[248] Rail Forum, Amey, Balfour Beatty, BAM Nuttall, SCAPE, RIA, ACE's responses to the CMA's interim report, question 13.
[249] Skanksa, Rail Forum, CECA, Laing O'Rourke, ORR, Balfour Beatty, BAM Nuttall, Transport Scotland, SCAPE, RIA, ACE and TICS' responses to the CMA's interim report, question 10.
[250] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p25.
[251] Responses to the CMA's information requests [✂].
[252] HM Treasury (2025), Regulation Action Plan - Progress Update and Next Steps.

Recommendation 16 – Reduce over-compliance

(i) We recommend that the UK, Scottish and Welsh governments and Northern Ireland Executive direct regulators and public bodies[253] with standards-setting responsibilities to establish and run an open-ended challenge function for industry to challenge any standards, for both designs and products, on the grounds that they are out of date, duplicative or redundant.

(ii) In addition, the UK, Scottish and Welsh governments and Northern Ireland Executive should agree and enforce sets of consistent regional standards for 'preferential requirements' by local authorities for civil engineering projects.

(iii) The UK government should also consider updating the Railway Regulation Act so that Network Rail[254] has equivalent legal powers as National Highways to access adjacent land to conduct civil engineering works for enhancement and renewals.

Overview of our recommendation

B.209 As we highlight in chapter 4 of the main report, in response to our interim report stakeholders from across the market explained that overlapping or unnecessary technical standards are limiting the effective delivery of public road and rail projects. These standards are increasing compliance costs and acting as a barrier to entry and expansion for smaller firms. We discuss in Appendix A how these standards (such as mandatory quasi-regulatory standards, and those mandated through contracts) can overlap with regulations to create a complex compliance landscape.

B.210 As such, we recommend that governments direct regulators and public bodies across both road and rail infrastructure with standards-setting responsibilities – such as the ORR, National Highways, Network Rail, RSSB – to establish and run an open-ended challenge function for industry to challenge any standards and products that are out of date, duplicative or redundant. This should include a requirement for the regulator or standard-setting body to respond to each challenge, and publish a log of challenges received, decisions made, and next steps with timelines. Standards setting bodies should aim to provide decisions on challenges within 90 days and include reporting on the number of decisions reached within these targets. Regular reporting should also include the number of downgraded or removed standards, as well as areas where no action has been taken. For example, Network Rail has reported that around 70% of all challenges

[253] Such as the Office of Rail and Road, National Highways, Network Rail and the Rail Safety and Standards Board.
[254] And Great British Railways once operationalised.

they have received have resulted in agreement being reached with the standard owner to modify the standard.[255]

B.211 More consistent reporting on any amendments to standards, as well as publication of any challenges from industry by standards setting bodies, will provide more transparency and incentives for industry to incite meaningful change from the demand side in areas where compliance burdens are highest. This will also better position regulators to hear directly from industry on where regulation could work better and will help ensure proactive and agile standards setters and managers.

B.212 Standards setting bodies should ensure challenge processes are as simple as possible for industry stakeholders to access, such that SMEs are not unduly disadvantaged due to unnecessarily complex processes.

B.213 As highlighted in chapter 4 of the main report, we also heard that preferential requirements for standards and designs from procuring authorities can be mandated through contracts, and sometimes create onerous requirements, which – on top of stringent technical standards – add to the burden on suppliers.[256]

B.214 We therefore consider that the UK and devolved governments should agree and enforce sets of consistent regional or MCA standards/thresholds for permitted 'preferential' requirements by local authorities for civil engineering projects. By aligning these standards at an MCA level, or regionally where possible, we consider this will reduce the impact of overly prescriptive requirements on suppliers.

B.215 The ORR told us that through routine engagement with Network Rail, Network Rail had identified an imbalance between road and rail regulation in respect of access to adjacent land. They noted that access to adjacent land is a known issue affecting some rail projects for both enhancements and renewals. It noted an example that major programmes such as the TransPennine Route Upgrade and East West Rail enhancements projects are increasingly using the Transport and Works Act for compulsory purchase powers to overcome issues with access. They noted that in highways, the equivalent rights are already contained within various highways and utilities legislation.[257,258]

B.216 The Transport and Works Act Order process can take multiple months to years when a public enquiry is held, and involves several stages, as well as requiring Secretary of State approval from the Department of Transport.[259] This process

[255] Network Rail, Reviewing our standards, accessed on 11/05/26.
[256] TICS response to the CMA's interim report, question 10, p1. Notes of meetings with [✂].
[257] ORR's submission to the CMA [✂].
[258] Highways Act 1980, section 291.
[259] Network Rail (2019), Transport and Works Act Order Process, note that the Transport and Works Act Order only applies to England and Wales. In Scotland, access to adjacent land can be granted by Ministers as set out in the Transport and Works (Scotland) Act 2007.

adds significant cost and time. We have not been able to ascertain any reasoning for the disparity in powers of access to adjacent land for enhancements and renewals between National Highways and Network Rail. The UK government should ensure this is a reasonable and deliberate policy choice and, if not, consider updating the Railway Regulation Act so that Network Rail's powers of access are aligned. This would significantly speed up the process of obtaining access rather than creating new rights.

Summary of reasons for this recommendation

B.217 Additional research following our interim report highlighted how the scale of variations of similar mandatory standards has built up over time and differs across devolved nations. In response to our interim report, stakeholders told us that standards in rail are particularly onerous. This is both in terms of the number of active technical standards, but also in terms of standards being more prescriptive due to a risk averse culture and the safety-critical nature of rail. Data collected following our interim report has identified that the number of standards Network Rail administers has more than doubled over the last ten years, with around 1,025 active mandatory standards in place this year. We understand that compliance with some of these standards was previously voluntary, but is now mandatory.[260]

B.218 As highlighted in Appendix A, this problem of overlapping standards is not new. The Industry Standards Group's 2012 enquiry into successful standards and specifications noted that companies were overlaying their own standards, some of which had evolved over decades, and which may not always have kept pace with innovations in the market, organisational priorities, or government policy.[261] The UK government's 2017 transport infrastructure efficiency strategy also noted how the complexity of some standards often makes them difficult to challenge.[262] One of their key recommendations is the ability to be able to challenge standards to enable innovation and drive efficiencies.[263] Within Recommendation 14, we also observe how international efforts to standardise designs in particular have been effective at delivering faster outcomes for civil engineering projects.

B.219 We also note how Germany has made efforts to harmonise technical standards, alongside the greater use of standardised designs as mentioned above in Recommendation 14. The Forschungsgesellschaft für Straßen- und Verkehrswesen (FSGV) in Germany develops harmonised technical standards and guidelines that are widely applied in planning, design, materials, and execution of works. These standards provide a common reference for both public clients and contractors and are regularly updated to reflect practice and

[260] Network Rail's response to the CMA's information request [✂].
[261] Industry Standards Group (2012), Specifying successful standards, p39.
[262] DfT (2017), Transport infrastructure efficiency strategy, p57.
[263] DfT (2017), Transport infrastructure efficiency strategy, p55.

research.[264] This reduces design effort, simplifies approvals, and makes tendering more comparable, while also supporting industrialised construction methods and repeatability across projects.

B.220 In calls with stakeholders, most were supportive of efforts to streamline technical standards, and to reduce the impact of what was also termed 'preferential engineering', in a way that does not impact safety.[265] For example, one consultancy firm told us that this preferential engineering can create additional cost when certain methods are prioritised. It highlighted that this varies considerably between different procuring authorities or clients.[266] Where unnecessarily stringent standards may be applied, or gold-plated by procuring authorities in order to manage perceived risk, increasing knowledge of civil engineering procurement may help to reduce some of this preferential engineering practice. We consider this aligns well with our recommendation above on increased output-based specifications, as this will also help to reduce any unnecessary duplication and help to avoid any 'gold-plating' in order to manage perceived risk.

B.221 The Northern Ireland's Department for Infrastructure was supportive of our recommendation in this area. They noted in particular that there is a proliferation of standards in lower classes of roads, which has meant gold-plating of requirements by contracting authorities. They told us that, in their view, there needs to be more flexibility on this as the Design Manual for Roads and Bridges (DMRB) is too stringent in these cases.[267]

B.222 BAM Nuttall told us that this preferential engineering can increase the design and delivery cost of projects unnecessarily. They noted that efforts to standardise requirements across public authorities would be useful as this would allow for scalable learning across the industry.[268] Local Partnerships cited an example of all local authorities within a single Mayoral Combined Authority having distinct formulations for pothole filler, reflecting individual preferences across authorities.[269] Similarly, a local authority told us it also recognises this as a challenge, noting that it has observed examples of preferential engineering in link projects that cut across different local authorities.[270]

Planning and Environmental Regulation

B.223 Multiple stakeholders also identified aspects of planning and environmental regulation as contributing to delays in efficient delivery of civil engineering

[264] FGSV, Road and Transportation Research Association, accessed on 28/04/26.
[265] Notes of meetings with [✂].
[266] Note of meeting with [✂].
[267] Note of meeting with DfI [✂].
[268] Note of meeting with BAM Nuttall [✂].
[269] Note of meeting with Local Partnerships [✂].
[270] Note of meeting with [✂].

projects.[271] As we highlighted in our interim report, the majority of the Tier 1 firms we sought evidence from told us that statutory consultees represent the greatest issue in the planning system.

B.224 The UK government's Planning and Infrastructure Act,[272] the proposed planning reforms via the National Planning Policy Framework,[273] and reforms to the statutory consultee system[274] have been implemented to simplify the planning process and speed up the delivery of infrastructure projects.

B.225 DEFRA's lead environmental regulator pilot for the Lower Thames Crossing, if rolled out across the industry, will also provide a clear, single point of contact to cut the time it takes to secure planning permissions and approvals for large-scale developments.[275]

B.226 Following our interim report, stakeholders mentioned in particular the Development Consent Order process which increases costs and slows down delivery. Two stakeholders told us that this process contributes to delays in delivery.[276]

B.227 We also consider that greater information sharing throughout the planning process would be particularly useful for local authorities as part of their Spatial Development Strategies.

B.228 As we highlight in chapter 4 of the main report, the OECD told us that, across the construction industry, infrastructure permitting is one of the most critical bottlenecks to timely and cost-effective infrastructure delivery in OECD countries.[277] The OECD notes how best practice examples from other countries to address these issues include statutory time limits, one-stop shops, digital case management systems, accelerated regimes and the use of Imperative Reasons of Overriding Public Interest. In addition, they explain that countries may benefit from more structured and transparent approaches to managing conflicts in the final stages of permitting, and that comparative data and benchmarking in helping governments better understand where and why time and costs accumulate.[278]

B.229 The UK government's proposed reforms to the planning system through updates to the national policy planning framework, statutory consultee reform and environmental planning reform address many of the concerns we have heard from industry and align with the OECD's best practice examples. As part of the planning

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[271] Response to the CMA's information request [✂]; Notes of meetings [✂].
[272] MHCLG, The Rt Hon Steve Reed OBE MP, Emma Hardy MP and The Rt Hon Rachel Reeves MP (2025), Landmark Planning and Infrastructure Bill becomes law.
[273] MHCLG (2026), National Planning Policy Framework: proposed reforms and other changes to the planning system, accessed on 12/05/26.
[274] MHCLG (2025), Reforms to the statutory consultee system.
[275] DEFRA, The Rt Hon Steve Reed OBE MP and The Rt Hon Angela Rayner MP (2025), Environmental reforms to break planning system gridlock.
[276] Notes of meetings with [✂].
[277] Note of meeting with OECD [✂].
[278] OECD, Accelerating Infrastructure Permitting: From Streamlining to Structured Bargaining, accessed on 17/04/26.

system reform, Government has suggested amendments to the development consent order (DCO) process for nationally significant infrastructure projects (NSIPs), which we consider will significantly improve this process for more efficient delivery.

B.230 As such, alongside these reforms, we consider that the UK government may also wish to reflect on the merits of a central cross-UK database of planning and environmental approvals cases (including mitigations or measures accepted) as a reference point to enable faster approvals from cross-referencing. Governments could then direct regulatory bodies to use precedents set by existing approvals.

B.231 This is similar to other examples in Europe, such as Denmark's EA-hub, which is a platform consolidating environmental assessments and impact reports from across authorities.[279] It helps to avoid duplication of assessment work by enabling reuse of past assessments, improving scope-setting and reducing the risk of late surprise. This aligns with similar recommendations set out in BCG's report on global infrastructure development.[280] Within the report, it considers that reusing and amalgamating other similar planning assessments, setting a high bar for design changes where they have been successful in other countries, digital repositories, and a centralised process with one lead agency approving permitting would speed up and streamline the process.

B.232 Although different planning legislation applies to devolved governments,[281] we consider that a central database for each of the devolved governments could contribute to greater use of best practice across the industry and across each individual nation. This could enable procuring authorities to draw on examples of best practice and speed up the acceptance process, reducing any bottlenecks in delivery held up by pending approvals.

B.233 Providing more transparency and greater information sharing through more centralised approach to planning, would also support our other measures such as Recommendation 8 on cross-authority joint procurement, and Recommendation 9 on the adoption of best practice. When procuring authorities are able to cross-refer to similar planning applications, and engage in discussions regarding joint application opportunities, it alleviates the need for each authority to initiate the process independently, thereby reducing administrative burdens.

[279] Danmarks Miljøportal, EA-Hub, accessed on 11/05/26.
[280] BCG, Infrastructure Investment in an Uncertain World, accessed on 02/04/26.
[281] For example, see different planning legislation in Scotland Planning and architecture - gov.scot. In Northern Ireland, The Planning Act (Northern Ireland) 2011 (Planning Act) is the principal piece of planning legislation. In Wales, The Planning Act 2015 applies.

Considerations on design and implementation options

B.234 We envisage implementation of the challenging standards aspect of this recommendation should take a similar but more expanded approach to Network Rail's standards challenge function for standards, which appears to have resulted in hundreds of challenges and instances of technical standards being reviewed and updated.[282] National Highways also allows for feedback on current standards on its website, but the results of this are not currently published.[283] We consider that this commitment would require engagement from devolved governments, so any supplementary national standards can be challenged at the appropriate level. We consider that this should work alongside the need to align preferential engineering standards mandated through contracts from procuring authorities, as discussed below.

B.235 This recommendation aligns with RSSB's 2020 Rail Standards Strategy, which sets out the need to create a mechanism for capturing lessons learnt from the application of standards by industry, and to ensure the experience of real-world applications are reflected in the changes and reviews of future standards. As part of these commitments, RSSB also highlights the need to produce better guidance on assessing deviations supporting trials and how the deviation can lead to standards change. In its strategy, RSSB commits to review the procedural management of standards in terms of effectiveness, efficiency and proportional responsiveness to industry needs and urgency. We consider that future iterations of this strategy should work alongside our recommendations to allow industry to have a key role in driving forward future standards reviews.[284] Variations in technical standards also exist across devolved nations.[285]

B.236 We note that there is also ongoing work within the UK government to reduce administrative burden and support economic growth,[286] and we consider our recommendations should work alongside these reforms.

B.237 The ORR is currently reviewing the Railways and Other Guided Transport Systems (Safety) Regulations (ROGS) which contain requirements for assessments and evaluations of health and safety that some businesses working on the railway are required to comply with. The review will invite businesses to provide feedback about areas of the legislation that are not working well so that we

[282] Network Rail, Reviewing our standards, accessed on 08/05/26.
[283] Standards for Highways, Feedback, accessed on 08/05/26.
[284] RSSB (2020), Rail Standards Strategy.
[285] In Scotland, Transport Scotland's Interim Amendments (TSIAs) are instructions which replace or complement the design standards in the DMBR and Manual of Contract Documents for Highway Works (MCHW). Transport for Wales also publishes associated procedure and guidance documents which apply to Wales and UK highway standards. In Northern Ireland, The Windsor Framework commits the UK government to implementing Directive (EU) 2016/797 in Northern Ireland. This ensures that there is continued movement of railway goods and that Northern Ireland remains part of the EU interoperable rail system.
[286] Regulation Action Plan - Progress Update and Next Steps - GOV.UK, accessed on 13/05/26.

can consider improving them. The ORR is due to publish the findings of this review in June 2026.[287]

B.238 The ORR's letter from March 2026 also sets out progress as part of their review of assessing the costs and benefits of health and safety interventions in rail,[288] and mentions:

(a) DfT has also indicated that it will be undertaking a fundamental review of the regulatory framework for standards in preparation for Great British Rail, starting in 2026.

(b) RSSB has also undertaken a review of the standards framework and the updated Railway Standards Code. This includes the creation of a new Industry Leadership Group (ILG), which will have a remit to provide strategic oversight and leadership in the development and interpretation of industry standards, using streamlined governance to balance industry needs with public interests.

B.239 We consider that our recommendations should work alongside these reviews, and challenge functions should enable industry to continue to provide feedback on any areas of technical standards which are not currently working.

B.240 We note in Appendix A, in the chapter on the impact of regulation on effectiveness and efficiency, some stakeholders noted variations in the way some legislation is applied across the devolved nations. Taken together, this evidence highlights concerns about variability in interpretation and implementation of regulation increasing uncertainty for firms operating across jurisdictions. In respect to EU legislation applicable in Northern Ireland pursuant to the Windsor framework, we recognise there may be limitations on the scope for changes to this legislation. To the extent this is the case, we expect this would be a relevant factor to be considered by the UK government in deciding how to take forward this recommendation.

B.241 Although there are cost implications to conducting a review when industry challenges a standard or product, we consider this is a sufficiently more cost-effective and iterative way of reducing duplication and redundant standards over time than conducting large-scale reviews. We consider the burden on market participants to be minimal if this process is managed online, as Network Rail does. With market participants having the most detailed knowledge of the user journey of navigating standards and compliance, a demand-side led approach will enable regulators to focus on high-impact areas as a priority. Market participants should be offered confidentiality when submitting challenges to mitigate potential

[287] ORR (2026), Impact of ROGS: 2026 post implementation review.
[288] ORR (2026), Assessing the costs and benefits of health and safety interventions in rail.

concerns and encourage submissions, supported by a simple procedure and comprehensive feedback when suggestions are not taken into account. Where a large volume of challenges is received, the corresponding regulator may want to introduce a triage system ranking the challenges by impact and urgency. Following these reviews, governments may wish to abandon or amend certain standards in future.

B.242 Alongside sets of consistent regional or MCA standards/thresholds for permitted 'preferential' requirements by local authorities for civil engineering projects, we consider the upskilling of Local Authority Procurement capacity will be crucial to this. This is in line with our other recommendation on procurement authority capacity constraints. CAIP told us that existing efforts to standardise processes amongst MCAs is already happening in some areas, but additional work is needed to roll out this practice across the industry.[289] We consider that greater directives and support from MHCLG to local governments and MCAs is essential to encourage more widespread use of these practices and avoid unnecessary divergences, creating greater efficiencies for the delivery of projects across regions.

B.243 We discussed the issue of access to adjacent land with Network Rail, which considered that this recommendation would be beneficial and save considerable time in the delivery of projects where this issue arose.[290] We consider that collecting additional information on the cost burden of this issue would be beneficial.

Recommendation 17 – Streamline accreditations

We recommend that the UK, Scottish and Welsh governments and Northern Ireland Executive should review the existing range of supplier accreditations for duplication and set a single approved list of accreditations that are acceptable for firms working on public road and rail infrastructure projects.

Overview of our recommendation

B.244 Our evidence shows that overlapping supplier accreditations, and multiple prequalification questionnaires, are acting as a barrier to entry for smaller firms, and as a barrier to scaling when firms decide whether to take on new projects.[291]

B.245 We consider these strict contract requirements from procuring authorities as well as duplicative pre-qualification questionnaires are also adding to the compliance

[289] Note of meeting with CAIP [✂].
[290] Note of meeting with Network Rail [✂].
[291] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p59 and 65; Laing O'Rourke p5, BAM Nuttall p21, Rail Forum p4 and Balfour Beatty's pp22-23 responses to the CMA's interim report, question 22; Submission to the CMA [✂].

burden, and that these additional costs and compliance burdens are also less likely to be able to be absorbed by smaller firms.

B.246 As such, we consider a more streamlined approach to assessing supplier competencies will reduce the burden on suppliers and facilitate the conditions for easier market access and growth.

B.247 The UK government, through engagement with the UK Accreditation Service (UKAS), should review the existing range of accreditations for duplication and set a single approved list of supplier accreditations that are mutually acceptable for firms working on road and rail infrastructure. In particular, it should focus on reducing duplication amongst Safe Schemes in Procurement (SSIP) providers, and the use of multiple prequalification questionnaires or platforms, as well as encouraging more consistent use of the Common Assessment Standard (CAS).

Summary of reasons for this recommendation

B.248 The CMA's market research identified accreditations as being a key area of concern for Tier 2 and Tier 3 firms. Participants observed that their firms are being asked for multiple mutually recognisable certificates by accreditation providers, such as SSIP schemes and CAS providers.[292] They also highlighted that some Tier 1 firms are 'gold-plating' certain accreditation requirements when sub-contracting along the supply chain, which is adding to unnecessary costs for smaller firms.[293]

B.249 Industry stakeholders have been generally supportive of our measure to streamline the accreditation process. Balfour Beatty told us that suppliers are required to hold multiple prequalification accreditations covering substantially similar organisational assurance requirements, and where contracting authorities request additional detailed questionnaires covering areas that have already been assessed through those accreditations, mentioning specifically RISQS and Constructionline.[294] BAM Nuttall told us that passing down strict requirements through subcontracting is sometimes unavoidable, as accreditation requirements have to be passed along the supply chain due to strict contract requirements.[295]

B.250 In responses to our interim report, Build UK's Common Assessment Standard was mentioned by industry stakeholders as an important development to address this overlap[296], but stakeholders noted overlapping prequalification questionnaires required from contracting authorities, which contributes to inefficiencies.[297] Our

[292] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p72.
[293] Jigsaw Research (2026), Qualitative Research with Civil Engineers, p64.
[294] Note of meeting with Balfour Beatty [✂].
[295] Note of meeting with BAM Nuttall [✂].
[296] Balfour Beatty, SCAPE, ACE, ICE's responses to question 22 of the CMA's interim report.
[297] Balfour Beatty, Costain, Rail Forum, CECA, Amey, RIA, BAM Nuttall, SCAPE's responses to the CMA's interim report.

evidence highlighted how contracting authorities ask for duplicative prequalification information that covers topics already assessed within accreditation schemes. We heard that these questions are often not project-specific technical queries but instead repeat corporate-level compliance and governance information that has already been independently verified through the accreditation process.

B.251 We therefore consider that addressing this duplication is crucial from the outset of the procurement process and down the supply chain. This will offer more certainty to both procuring authorities as well as suppliers and encourage more favourable conditions to encourage growth in the civil engineering sector.

Considerations on design and implementation options

B.252 We consider that governments should establish a centrally administrated or coordinated cross-UK accreditation system and platform, which could also cover a CAS-aligned prequalification process, shared audit outcomes, and central registers of approved components and competencies. This should address some of the issues we have heard above around gold-plating and ensure that mutual recognition between schemes is upheld. By adopting a single CAS-aligned prequalification process that public authorities are able to draw upon, it will reduce the need for supplementary questions from procuring authorities that include the same information.

B.253 We consider this could be delivered through the Central Digital Platform, as all suppliers will already be registered on the platform under the requirements of the Procurement Act 2023.[298] Including accreditation and prequalification information will allow this information to be safely shared with contracting authorities, without the need for repeated prequalification questionnaires. We consider that through interfaces with CAS and Build UK's approved platforms; it will allow for a smoother prequalification process across the UK and significantly reduce the compliance burden on firms when bidding for work.

B.254 Considering the statutory requirement for all suppliers to be registered with the Central Digital Platform from February 2024, we consider this process should be relatively easy to implement. Including prequalification and accreditation information in one place through platforms will significantly reduce the need for supplementary prequalification questionnaires and allow suppliers to enter information just once.

B.255 As we mention above – and highlight further in chapter 4 of the main report – a fragmented and duplicative system of civil engineering accreditations adds to the

[298] From 24 February 2025, contracting authorities are now required to obtain confirmation of registration and submission of core supplier information on the platform from suppliers who wish to participate in a specific procurement. Cabinet Office (2026), Guidance: Central Digital Platform and Publication of Information.

cost and compliance burden, and these burdens are less likely to be able to be absorbed by smaller firms. While mutual recognition of accreditations could eventually lead to greater consolidation among providers, we believe the current system makes it difficult for new firms to enter, scale, and grow efficiently. We consider the advantages of addressing these issues outweigh any potential drawbacks from future consolidation. In the short term, streamlining accreditation processes may boost competition between providers, resulting in better services.

B.256 As we consider the issue of overlapping accreditations disproportionately affects smaller firms, one thing that UKAS may therefore also wish to consider is targeted funding support or tiered membership options for SMEs. As UKAS sets the accreditation standards across the UK, any streamlining of accreditations undertaken by UKAS will also apply to the devolved nations. However, we consider that guidance should be issued to procuring authorities so that overlapping requirements are not mandated through contracts that then must be passed down the supply chain by Tier 1 firms.

B.257 As the Central Digital Platform will now form a key aspect of the statutory procurement process for high value contracts[299], we consider that this will also hold Tier 1 firms to account to mutually accept accreditations when this directive is given by government and enforced through Central Digital Platform processes.

Recommendation 18 – Streamline regulatory approvals

The UK government should direct regulators and public bodies[300] to streamline approvals processes for new technologies in road and rail infrastructure and establish fast-track approval processes, which should include the recognition of reference-class data.

Overview of our recommendation

B.258 As we highlight in chapter 4 of the main report, slow regulatory and approval processes are limiting the opportunity for new innovations in the civil engineering sector. We also discuss in further detail in Appendix A, in the chapter on barriers to innovation, that stakeholders told us that, alongside slow approvals processes, the misallocation of risk along the supply chain, and a lack of pipeline certainty and long-term funding also contribute to reduced innovation in the sector. 11 out of 16 Tier 1 and Tier 2 firms considered 'legal or regulatory barriers' to be a moderate or significant barrier to innovation.[301]

[299] High value contracts are usually above £139,688, including VAT, Find high value contracts in the public sector.
[300] Such as National Highways, Network Rail and the British Board of Agrément.
[301] Responses to the CMA's information requests [✂]. Six out of 16 firms stated it is a significant barrier and five out of 16 firms stated it is a moderate barrier.

B.259 This demonstrates clear scope for improvement in the way in which our regulatory system works to promote innovation. Multiple stakeholders have told us that opportunities to streamline and improve the process for product approvals across both the road and rail sectors will encourage the development and rollout of new innovations across the supply chain.[302]

B.260 As such, the UK government should give directions to regulators to streamline approvals processes for new technologies and establish fast-track approval processes which should include the recognition of reference-class data. Government should also promote dialogue between regulators and their international counterparts where standards are similar in comparable countries to consider successful approvals and deployment lessons.

Summary of reasons for this recommendation

B.261 Stakeholders were generally supportive of our measures in this area, as detailed below. As we highlight in chapter 4 of the main report, the approval process in rail was cited as a greater area of concern, which stakeholders considered to be acting as a barrier to developing new designs and innovations.[303]

(a) Murphy told us that under the current system of product approvals, the absence of historic performance data, proven design life, or formal accreditation often disqualifies potentially valuable advancements from consideration.[304] Morgan Sindall told us that by the time approval processes are granted, a product risks becoming out of date.[305]

(b) Our evidence from procuring authorities that provided data also shows that the speed of approvals varies considerably across nations.[306] In our call with the Department for Infrastructure and Translink, they told us that some suppliers/clients are way ahead of the curve than others in terms of innovative products they use, but that others are unclear on how innovation can be assessed through the procurement process.[307]

B.262 The approval process was cited as the most complex in rail. Although the CMA's market research highlighted that product innovations are encouraged in national

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[302] CECA, Balfour Beatty, BAM Nuttall, RIA and ACE's responses to the CMA's interim report.
[303] Responses to the CMA's information requests [✂].
[304] Murphy's response to the CMA's information request [✂].
[305] Morgan Sindall's response to the CMA's request [✂].
[306] As we highlight in Appendix A, we asked public authorities across the UK for data on their product approvals. Only devolved authorities were able to provide accurate data. Transport Scotland told us that on average it approves around 80% of all product approval applications. 50% of these approvals are decided within 30 days, and 90% are approved within 90 days. In Northern Ireland, the percentage of accepted product approvals is generally much lower, with acceptance rates being anywhere between a minimum of 3% and a maximum of 63% over the last 10 years. In the years that it recorded data on the time taken to approve products, the Department for Infrastructure tended to approve almost all applications within 30 days, but the number of applications in most years was less than half of those received by Transport Scotland.[306]
[307] Note of meeting with DfI and Translink [✂].

road-commissioning bodies' innovation sessions, respondents felt that public authorities or Tier 1s do not necessarily follow these up with adequate co-funding.[308] This reflects the need to not only address the slow product approval journey, but also ensure that innovations can be shared and scaled across the industry, and that procuring authorities have the confidence and skills to be able to procure successful innovations.

B.263 As an international comparator, in Norway, NyeVeier[309] is currently involved in several pilots for speeding up the use of alternative materials for road structures and tunnels. All solutions are based on the reuse of waste products, mass extraction or the use of by-products. As part of the pilots, they will also recommend new processes for approvement in the product regulations, which will make it easier for new solutions to get from idea to market.[310] This demonstrates how lessons from pilots can be utilised to inform faster processes for product approvals and routes to market for successful innovations.

B.264 In response to our interim report, stakeholders also identified greater rollout of Modern Methods of Construction (MMC or industrialised construction) would help standardise innovations across the industry.[311] This was previously mentioned as part of the previous Government's Transforming Infrastructure Performance (TIP) Roadmap to 2030 as best practice.[312]

B.265 Balfour Beatty told us that MMC and DfMA have contributed to greater cost savings and innovations for projects across the industry.[313] We also note that greater use of MMC is a key driver to help instil innovations and greater standardisation across the industry. As we highlight above, other stakeholders have pointed out that standardised designs are crucial to enable greater adoption of offsite methods of construction.[314]

B.266 Stakeholders were also supportive of controlled pilots for innovations and faster approval processes in response to our interim report, emphasising that this should be supported by clear routes to rollout. BAM Nuttall told us that pilots provide a safer space to test innovations and a softer landing for their rollout.[315] The UK and devolved governments' support for proposed pilots that follow with licenses to use

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[308] Jigsaw Research (2026), Qualitative Research with Civil Engineers, pp72-73.
[309] NyeVier is the state-owned limited company whose task is to develop, operate and maintain selected stretches of road.
[310] BVM Vegbygging, Pilotering, accessed on 05/05/26.
[311] ICE response the CMA's interim report, question 8, p6; Laing O'Rourke's response to the CMA's interim report, question 16, p6.
[312] Infrastructure and Projects Authority (2021), Transforming Infrastructure Performance: Roadmap to 2030.
[313] For example, Balfour Beatty submitted that tender valuations with a narrow focus on cost can discourage the adoption of new technologies and Modern Methods of Construction, which may require higher upfront investment but deliver long term savings, productivity gains, and sustainability benefits. Balfour Beatty's response to the CMA's invitation to comment, p8. ICE's response to the CMA's interim report, question 8, p6. Laing O'Rourke's response to the CMA's interim report, question 16, p6.
[314] ICE (2018), Standard design key to offsite manufacture.
[315] Note of meeting with BAM Nuttall [✂].

such innovations will help ensure that evidence of success for future approvals will then allow for quicker industry-wide rollout.

B.267 The Department for Infrastructure told us they were supportive of case studies or repositories for effective use of innovation as part of our recommendations.[316]

B.268 Although the establishment and maintenance of a repository would require frequent updates and monitoring, we consider that the efficiency and knowledge sharing benefit would be significant as it would encourage greater adoption and rollout of innovations. A standardised and transparent portal for sharing information which includes publishing test conditions can also give procuring authorities greater confidence to procure innovations, as well as speeding up the process to approve new innovations in other contexts.

B.269 Stakeholders pointed out that measures seeking to encourage faster processes for new technologies and innovations would require cultural change. In response to our interim report, the RIA highlighted this, explaining that procurement must also be able to buy and scale approved products. It explained that 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 the Construction Playbook guidance that stresses early engagement, appropriate delivery models, and commercial strategies that support delivery of outcomes over time.[317]

Considerations on design and implementation options

B.270 As we highlight above, regulatory streamlining for product approvals will likely not deliver meaningful change unless the rollout across industry is also encouraged. Our other recommendations focussed on building procurement authority capacity, encouraging contracting for innovation, and promoting longer-term contracting, will work alongside this recommendation to further encourage more strategic procurement focussed on innovation as opposed to lowest cost. For example, as we mention in recommendation 10, future iterations of Procurement Act Guidance that encourage more consistent use of procurement through the new Competitive Flexible Procedure, with examples of where innovations have been successfully used, could help encourage the rollout of innovations once established.

B.271 Adopting standard test methods would allow for the scaling of industrialised construction systems to be approved more quickly to allow faster rollout. The UK government, with support from the devolved governments, could encourage adoption across the industry for industrialised construction, which would ensure that this best practice is more widely replicated across the UK. However, we

[316] Note of meeting with DfI [✂].
[317] RIA's response to the CMA's interim report, p5.

consider that careful consideration should be paid to intellectual property for MMC innovations, as research has highlighted that there is a risk of inadvertently blocking the use of MMC IP on other schemes, or not recognising wider opportunities for standardisation.[318]

B.272 In the CMA's market research, comments about the nature of contracts suggested that one way to increase firms' ability to use new techniques or products would be fairer sharing of risk. The issue of risk was a topic raised spontaneously in nearly all interviews.[319] One way to reduce the misallocation of risk from faster product approvals is to introduce joint insurance for innovations to reduce the likelihood of risk being passed further down the supply chain. The use of licenses for new innovations could also help to protect intellectual property and manage the allocation of risk.

B.273 We therefore consider that introducing options such as shared insurance for innovations and government support for pilots, as well as including the use of reference-class data and learnings from international comparators, could help address some of this uncertainty. This would further incentivise innovation, boosting growth in the sector.

B.274 As road and rail innovations are governed separately through the Network Rail Technical Authority and the British Board of Agrément in England, Transport Scotland, and the Department for Infrastructure in Northern Ireland, we consider there would be benefit to greater sharing of product approvals through a centralised database to reduce fragmentation between road and rail and between nations. We consider having a UK-wide precedents database would help reduce this fragmentation and provide reference points for new innovations to be scaled across the UK.

Recommendation 19 – Utility diversions response times

We recommend that the UK, Scottish and Welsh governments and Northern Ireland Executive direct sector regulators[320] to agree and monitor standardised response times for utility diversions.

Overview of our recommendation

B.275 A utility diversion arises when network infrastructure[321] needs to be relocated or altered in some way to enable, for example, the development of a new road or a change in layout. This requires a developer of an infrastructure project to engage

[318] Bayliss, C., Croft, A., Fraser, N. (2025), Managing intellectual property for modern methods of construction, p3.
[319] Jigsaw Research (2026), Qualitative Research with Civil Engineers, pp12-13.
[320] These include Ofcom, Ofgem, Ofwat, the Utility Regulator and the Water Industry Commission for Scotland.
[321] Examples include electricity cables, telecommunications cables, gas pipes and water pipes.

with multiple utility companies to request utility searches, source estimates and coordinate actual works.

B.276 Early engagement with utility companies, and the use of advance surveys including utilities and services undertaken as part of the engagement, can be an effective means of identifying potential constraints, reassessing initial designs and mitigating the risk of future delay and cost. However, when the need for utility diversions arises, this can be a source of considerable risk. We understand that while the New Roads and Street Works Act 1991 sets response times for utility diversions, these are often not adhered to. Instead, utility companies have considerable discretion to set their own standards for any subsequent diversions, and these can be a source of significant variation and delay.[322]

B.277 We consider that an effective solution would be for sector regulators to set target response times for utility diversions, and monitor compliance against these. We recognise that utility companies may incur additional costs if they are expected to respond in a more timely manner to requests, but these should be weighed against the benefits of reduced delays to transport infrastructure projects. In addition, as natural monopolies, utility companies may face weak incentives to respond to requests such that regulatory intervention can introduce behavioural change that comes through the form of greater effort rather than additional cost.

Summary of reasons for this recommendation

B.278 Through our market study, we have seen evidence that delays in utility diversions can result in considerable cost / time overruns on infrastructure projects:

(a) In Appendix A, we set out our analysis of time and cost overruns, where we found that utility diversions were one of the more common drivers.

(b) The Edinburgh Tram Inquiry also found that the cost overrun for utility diversions was approximately £50 million.[323]

(c) More generally, there is evidence that utility diversions can add 6-12 months to the timeline for a typical road improvement scheme.[324]

Considerations on design and implementation options

B.279 We consider that sector regulators would be best placed to design the most appropriate mechanisms for implementing our recommendation. However, potential options could include:

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[322] Premier Energy Utility Consultants, What is a Utility Diversion?, accessed on 02/04/26.
[323] Edinburgh Tram Inquiry (2023), Edinburgh Tram Inquiry Report, p45.
[324] Highways Plus, Section 278 Utility Diversions: Coordinating National Grid, Water, and Gas During Highway Construction, accessed on 02/04/26.

(a) Agreeing standard response times for providing quotes and completing works in licence conditions.

(b) Publishing league tables of companies' response times to utility diversion requests to act as a reputational incentive.

(c) Introducing financial incentives to reward/penalise companies if they perform well/poorly against their response time targets.

Other measures we considered

Measures in our interim report we are not recommending

B.280 In our interim report, we set out the possibility that governments should require comprehensive, standardised sharing of cost and performance data across public authorities to assist in the scoping and procurement of public road and rail infrastructure projects. We considered that this could include both data on costs and delivery schedules, and be maintained using a national benchmarking database.[325]

B.281 Responses to our interim report were generally supportive of efforts to standardise sharing of data, as they saw it as an important enabler for benchmarking, capability and coordination.[326] ORR has also found regional benchmarking to be valuable in understanding Network Rail's cost performance.[327] However, Transport Scotland noted that there are significant challenges to implementing such measures, such as different current processes across organisations.[328] We also have concerns over the value that simple benchmarks could facilitate, relative to the detailed 'should cost modelling' that is required for major projects.

B.282 After weighing up the evidence, and considering the specific characteristics of the civil engineering market for public road and rail infrastructure, we have decided not to make this recommendation. We have concerns as to whether the considerable costs of creating and maintaining a national database would be proportionate, relative to the impact of the high-level benchmarking it would facilitate. We also consider that some of our other recommendations, which are targeted at building capability and capacity in public authorities, are better suited to addressing our concerns.

[325] CMA (2025), Civil engineering market study interim report, pp65-66.
[326] RIA pp9-10, Balfour Beatty p19 and ACE p10 responses to the CMA's interim report.
[327] ORR's response to the CMA's interim report, question 18, p4.
[328] Transport Scotland's response to the CMA's interim report, p4.