LDNY360 / EMERGING INTELLIGENCE

Construction Intelligence

Thursday, 29 October 2026

Capital is moving into housing and major infrastructure, but extended programmes and tighter assurance mean timing and risk allocation matter as much as headline value.

6	**Executive reading.** Budget funding strengthens the council-housing pipeline while the A66 moves into main construction on a materially longer timetable. Welsh Water has paired planning submissions with a near-term supplier event, making Cwm Taf the clearest immediate engagement opportunity. Renew's PBU acquisition and the DfE Essex alliance reshape delivery routes rather than guarantee revenue. At Sizewell C, parliamentary scrutiny intensifies the need for auditable cost, schedule and change control.

PROJECTS, INVESTMENT & DEVELOPMENT PIPELINE

Projects, Investment & Development Pipeline

HM Treasury / GOV.UK | 28 October 2026

Budget adds £1.5bn for 10,000 affordable homes

Reported facts. Budget 2026 provides an additional £1.5bn for 10,000 homes across England, prioritising Social Rent and especially council housing. Government says this takes the 10-year Social and Affordable Homes Programme above £40bn and extends preferential Public Works Loan Board borrowing rates for council housebuilding for a further year.

Organisations. HM Treasury; Ministry of Housing, Communities and Local Government; Homes England; local authorities
Project / programme. Social and Affordable Homes Programme **Location.** England
Value / stage. FUNDING ANNOUNCEMENT; £1.5bn additional programme funding; allocation and project-level release details not yet stated

Why it matters. The signal strengthens medium-term council-led housing demand and the viability of schemes already being assembled, but it is programme capital rather than immediately tenderable workload.	**Suggested action.** Refresh council and housing-association account plans, identify schemes closest to planning and grant readiness, and wait for allocation mechanics before assigning bid value.

Construction Enquirer / Budget confirmation | 28 October 2026

A66 main construction set for November under a nine-year programme

Reported facts. Government has confirmed phased main construction on the A66 Northern Trans-Pennine upgrade will begin in November. Balfour Beatty, Kier and Aureos are the delivery partners. The programme now runs for nine years rather than the previously promoted five-year accelerated build; advance works are already under way.

Organisations. National Highways; Balfour Beatty; Kier; Aureos
Project / programme. A66 Northern Trans-Pennine upgrade **Location.** Cumbria to North Yorkshire
Value / stage. CONSTRUCTION START CONFIRMED; reported value £1.5bn-plus; phased start November 2026; revised nine-year delivery programme

Why it matters. This converts a long-delayed major scheme into live delivery, while the extended schedule spreads package release and revenue over a much longer period than earlier market assumptions.	**Suggested action.** Validate package timing directly with the three delivery partners and reprofile labour, plant and cash expectations against phased release rather than headline value.

Construction Enquirer / Welsh Water planning and engagement material | 28 October 2026

Welsh Water lodges plans for its £600m Cwm Taf programme

Reported facts. Welsh Water has submitted planning applications for new and upgraded treatment assets serving more than 400,000 properties in south Wales. The core scope includes a new Dan-y-Castell treatment works, storage, pumping and pipelines, plus an upgrade at Llwyn-onn. Procurement is expected to begin in early 2027 under Ofwat's Direct Procurement for Customers model.

Organisations. Dwr Cymru Welsh Water; Merthyr Tydfil County Borough Council; Bannau Brycheiniog National Park Authority
Project / programme. Cwm Taf Water Supply Strategy **Location.** Merthyr Tydfil and Bannau Brycheiniog, Wales
Value / stage. PLANNING APPLICATIONS / PRE-PROCUREMENT; stated investment £600m; supplier engagement event 10 November 2026; delivery partner appointment targeted August 2028

Why it matters. Planning submission and a dated supplier event move the UK water sector's largest current DPC opportunity closer to market, with meaningful civil, process, M&E and long-term operating interfaces.	**Suggested action.** Register for the 10 November event and form a DPC-specific partner map covering finance, design, process plant, pipelines, commissioning and 25-year operational obligations.

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CONTRACT AWARDS & MARKET MOVEMENTS

Contract Awards & Market Movements

Renew Holdings / London Stock Exchange | 28 October 2026

Renew acquires directional-drilling specialist PBU for up to £50m

Reported facts. Renew subsidiary Excalon Holdings has acquired Porter Brothers Holdings, parent of PBU (UK), for total consideration of up to £50m on a cash- and debt-free basis. PBU adds specialist horizontal directional drilling and trenchless capability to Renew's infrastructure services portfolio.

Organisations. Renew Holdings; Excalon Holdings; Porter Brothers Holdings; PBU (UK)
Project / programme. Corporate acquisition and capability expansion **Location.** United Kingdom
Value / stage. ACQUISITION COMPLETED; consideration up to £50m; this is transaction value, not secured workload

Why it matters. The deal expands Renew's self-delivery capability in utility and infrastructure crossings, potentially changing partner and competitor dynamics in power, water and transport packages.	**Suggested action.** Reassess Renew and Excalon as a combined trenchless-delivery competitor or partner, particularly where directional drilling reduces possession, traffic or environmental constraints.

Construction Enquirer / Department for Education framework reporting | 28 October 2026

Three contractors appointed to the DfE Essex school alliance

Reported facts. Morgan Sindall and Bowmer & Kirkland have been selected for high-value projects and R G Carter for low-value work under a Department for Education Essex Alliance running to the end of 2031. The arrangement draws from the DfE Construction Framework 2025 and uses an FAC-1 alliance contract; individual school projects will be let separately.

Organisations. Department for Education; Morgan Sindall; Bowmer & Kirkland; R G Carter
Project / programme. DfE Essex Alliance **Location.** Essex
Value / stage. ALLIANCE APPOINTMENT; term to end-2031; no programme value or guaranteed call-off revenue stated

Why it matters. The alliance fixes the principal contractor route for a multi-year school programme and should concentrate downstream opportunities around three delivery teams, but appointment is not revenue.	**Suggested action.** School-sector specialists should map all three contractors' regional supply chains and track the first project orders rather than treating alliance membership as committed spend.

BUSINESS, COMMERCIAL & SUPPLY-CHAIN RISK

Business, Commercial & Supply-Chain Risk

House of Commons Public Accounts Committee | 28 October 2026

MPs demand tighter transparency and cost control at Sizewell C

Reported facts. The Public Accounts Committee says Sizewell C carries substantial cost and schedule risk, citing an estimated construction cost range of £40.5bn to £47.7bn and expected completion between 2039 and 2043. It calls for clearer reporting of material cost, schedule and design changes, and notes that taxpayers and consumers carry significant exposure under the financing model.

Organisations. Public Accounts Committee; Department for Energy Security and Net Zero; Sizewell C Ltd; National Wealth Fund
Project / programme. Sizewell C nuclear power station **Location.** Suffolk
Value / stage. PARLIAMENTARY SCRUTINY; construction cost estimate £40.5bn-£47.7bn; expected completion 2039-2043; no change to contract award status

Why it matters. The report does not stop procurement, but it raises the probability of tougher assurance, change control and public reporting across one of the UK's largest construction programmes.	**Suggested action.** Firms pursuing Sizewell work should evidence schedule realism, design maturity, auditable change control and cash exposure under delayed or rephased packages.

What leaders should do now

1. **Re-rank housing clients.** Identify councils with permissioned or grant-ready schemes before the new £1.5bn is allocated.
2. **Reprofile A66.** Base resource and cash plans on phased package release across nine years, not the full programme value.
3. **Act on Cwm Taf.** Use the 10 November supplier event to assemble a credible DPC consortium and operating model.
4. **Track delivery ecosystems.** Follow PBU integration and the first Essex school call-offs; neither announcement is secured downstream revenue.
5. **Strengthen nuclear controls.** Make cost, schedule, change and design-maturity evidence ready for heightened Sizewell assurance.

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