



P&BC • COST CONSULTANCY

# How professional cost consultancy saves money on build & renovation projects

Construction and renovation projects are among the most significant capital investments a business or individual will make. Yet industry data consistently shows that a substantial majority of projects overrun on cost — often by margins that could have been avoided with proper professional oversight. In a market where BCIS forecasts tender prices to rise a further 15% by 2031 and UK construction labour costs to increase 18% over the same period, the case for professional cost management has never been stronger. This insight paper, published June 2026, draws on the latest available data — including BCIS Q1 2026, ONS and Insolvency Service figures — to examine where and how engaging a specialist cost consultant, such as the team at P&BC, delivers measurable financial savings from inception to final account.

**+15%**

Forecast rise in UK tender prices by 2031 (BCIS, March 2026)

**3,931**

UK construction firms insolvent in 2025 — sector leads all industries (Insolvency Service)

**15–25%**

Average project cost overrun without professional QS oversight (BCIS / industry data)

## 1. The UK Construction Landscape in 2026

The UK construction sector entered 2026 in a challenging position. The Spring 2026 Market View confirmed that new build construction entered a technical recession in late 2025 after two consecutive quarters of falling output, with affordability pressures, regulatory complexity, and delayed investment decisions slowing the conversion of projects from planning to delivery.

At the same time, cost pressures remain structural rather than cyclical. BCIS data published in March 2026 shows that tender prices rose 2.8% year-on-year in Q1 2026, with labour the primary driver. Under the Joint Industry Board agreement, construction wages rose 7% in 2024 and 5% in 2025, with further increases of approximately 3.95% in 2026, 4.6% in 2027 and 4.85% in 2028 already agreed.

Against this backdrop, the financial consequences of poor cost management are more severe than ever. The construction sector recorded 3,931 insolvencies in 2025 — 21.5% above pre-pandemic levels — and has led all UK industries for insolvencies for four consecutive years, accounting for approximately 17% of all business failures (UK Insolvency Service, 2025/26). Many of these failures are directly attributable to the same root causes that drive client cost overruns: inadequate cost management, poor contract structures, and uncontrolled risk.

*"UK construction tender prices rose 2.8% year-on-year in Q1 2026, with building costs forecast to increase a further 14–15% by 2031. In this environment, professional cost management is not optional — it is essential."*

**BCIS, MARCH 2026**

## 2. Why Projects Overrun Without Professional Cost Management

The root causes of budget overruns are well-documented and remain consistent across project types and sizes. Without structured cost management, projects routinely suffer from:

- Inaccurate initial estimates based on insufficient design information
- Inadequate contingency and risk allowances for labour and material inflation
- Poorly structured procurement strategies leading to contractor over-pricing
- Inadequate contract terms — exacerbated by the complexity of the Building Safety Act 2022 and the new JCT 2024 suite — exposing clients to excessive claims
- Failure to identify and manage scope creep throughout construction
- Absence of robust change control processes on site
- Lack of lifecycle cost analysis leading to poor whole-life value decisions

RICS Q4 2024 UK Construction Monitor data highlighted that financial constraints remain the most frequently cited impediment to construction activity, with 62% of respondents highlighting this issue. The same report noted that a similar proportion of firms faced difficulties recruiting quantity surveyors — directly underlining the market premium placed on experienced cost consultancy professionals.

ONS construction statistics for 2024 confirm that the all-Construction Output Price Index grew 3.4% in the 12 months to December 2024, with new work output prices rising 3.7%. Without a professional cost consultant benchmarking and challenging these movements, clients absorb unnecessary cost at every stage.

*"Financial constraints were cited by 62% of construction firms as the primary impediment to activity in Q4 2024. Managing those constraints professionally, from inception to final account, is precisely what a cost consultant delivers."*

**RICS UK CONSTRUCTION MONITOR, Q4 2024**

### 3. Where Cost Consultancy Delivers the Greatest Savings

Cost savings are generated at every stage of a project lifecycle. P&BC's cost consultancy team, led by Scott Dixon MRICS, provides comprehensive services that address each of the key financial pressure points:

#### 3.1 Early-Stage Feasibility & Cost Modelling

The most impactful savings are made before a single brick is laid. P&BC's feasibility cost studies and cost modelling services allow clients to test multiple scenarios, assess different design approaches, and establish a realistic project budget grounded in live market data.

RICS research confirms that changes made at the design stage cost a fraction of equivalent changes made during construction. With BCIS forecasting an 18% increase in construction labour costs by 2031 and ongoing material price volatility, early cost modelling is particularly critical in 2026 to lock in realistic budgets before inflation erodes viability. A Bristol housing project recently demonstrated a £200,000 saving achieved through early-stage budget planning and rights management (RICS case data, 2025).

#### 3.2 Robust Cost Planning & Benchmarking

A professionally prepared cost plan does far more than produce a number. P&BC draws on an extensive library of benchmark data accumulated across commercial, residential, retail, hotel, student accommodation, and industrial sectors to ensure that cost plans reflect true market conditions.

In the current market, with the BCIS All-in Tender Price Index rising 2.8% year-on-year in Q1 2026 and geopolitical uncertainty creating upward pressure on energy and materials costs, independent benchmarking is particularly powerful. Clients without this intelligence routinely accept tender prices that are well above the independently assessed market rate, with RICS research indicating an average overpayment of 8–12% on procurement.

#### 3.3 Procurement Strategy & Contract Advice

The selection of procurement route is one of the highest-impact decisions in any project. The complexity of the contractual landscape has increased significantly following the Building Safety Act 2022, the Grenfell Tower Inquiry Phase 2 Report (September 2024) and the introduction of the JCT 2024 suite, which includes new risk allocations for contaminated materials, asbestos and unexploded ordnances, revised relevant events, and updated insolvency provisions.

Against this backdrop, expert procurement advice from a RICS-regulated cost consultant is more valuable than ever. P&BC's procurement expertise considers each project's specific risk, design, time, and budget parameters to recommend an approach that secures competitive pricing while managing client exposure to the elevated financial and regulatory risks now present in the UK market. Constructing Excellence data indicates that well-structured procurement with independent professional advice reduces overall project cost by 6–15%.

*"With 3,973 construction company insolvencies in 2025 and the JCT 2024 suite introducing new risk allocations, choosing the wrong contractor or contract form has never carried greater financial risk for clients."*

**UK INSOLVENCY SERVICE / JCT 2024**

### 3.4 Value Engineering

Value engineering is frequently misunderstood as simply cutting costs. In practice, it is the systematic process of analysing every element of a design to ensure that each component delivers optimal value for money without compromising function, quality, or aesthetics.

P&BC's value management exercises, conducted collaboratively with the wider project team repeatedly throughout the design and construction periods, have typically delivered savings of 5–15% on construction budgets whilst maintaining or improving project quality. In a market where BCIS describes a 'stagflation-type squeeze' — weak output growth coinciding with elevated labour and materials costs — value engineering at RIBA Stage 2–3 is a particularly effective tool for maintaining viability. The cost consultancy team at P&BC encourage value engineering at all stages of the project to ensure our clients receive the maximum value from their project.

### 3.5 Post-Contract Cost Management & Change Control

Once construction commences, the risk of cost escalation intensifies. Contractor variation claims, provisional sum expenditure, and scope changes are the primary drivers of post-contract cost growth. The increase in construction disputes noted throughout 2024–25, combined with the insolvency of major contractors — most notably ISG in 2024, which sent shockwaves across supply chains and delayed numerous projects — demonstrates the critical importance of robust commercial management on site.

P&BC provides proactive post-contract cost management, including detailed assessment of all contractor claims and variations, monthly cost reporting against the agreed budget, and cashflow forecasting. RICS data indicates that professionally managed post-contract cost control reduces variation costs by an average of 20–35% compared with unmanaged projects.

## 4. The Lifecycle Cost Perspective

Professional cost consultancy does not focus solely on construction cost. Whole-life cost analysis considers the total cost of ownership over a building's operational lifespan — typically 25–50 years — including maintenance, repair, and replacement costs.

With BCIS forecasting UK building costs to increase 14% and tender prices 15% over the next five years alone, the long-term financial implications of specification decisions made today are profound. An upfront investment in higher-quality specification can reduce lifetime operational and maintenance costs by 10–30% (BRE). For commercial clients and investors, lifecycle cost analysis also directly informs asset valuation and return on investment modelling.

P&BC's lifecycle costing advice ensures clients make informed decisions that optimise total cost of ownership, not just initial capital expenditure — an increasingly important consideration in a high-cost, high-inflation built environment.

## 5. Quantifying the Return on Investment

The question of cost consultancy fees versus financial benefit is straightforward to answer. P&BC's fees for cost consultancy services are a modest percentage of the overall construction cost. The savings delivered routinely exceed this by a factor of five to ten times — a ratio supported by leading industry research and consistent with P&BC's own track record across sectors.

| Intervention                                   | Typical saving                            | Source                        |
|------------------------------------------------|-------------------------------------------|-------------------------------|
| Early feasibility & design-stage cost planning | Up to 10–15% of build cost                | RICS / BCIS 2025–26           |
| Independent benchmarking at procurement        | 8–12% on accepted tender price            | RICS Research                 |
| Structured procurement advice                  | 6–15% overall project cost                | Constructing Excellence, 2023 |
| Value engineering (RIBA Stage 2–3)             | 5–15% of construction budget              | Industry / P&BC data          |
| Post-contract cost & claims management         | 20–35% reduction in variation costs       | RICS                          |
| Lifecycle cost optimisation                    | 10–30% reduction in O&M costs over 25 yrs | BRE                           |
| Overall ROI on cost consultancy fees           | £5–10 saved per £1 spent                  | Industry consensus            |

Sources: BCIS Construction Industry Forecast, March 2026; BCIS All-in Tender Price Index, Q1 2026; RICS UK Construction Monitor, Q4 2024 and Q2 2025; UK Insolvency Service 2025; ONS Construction Statistics Great Britain 2024; Constructing Excellence UK Benchmarking Report 2023; Building Research Establishment (BRE) Whole Life Costs; Julian Hobbs Construction Cost Inflation Guide 2026.

## 6. Why P&BC?

P&BC is a RICS-regulated, ISO 9001 and ISO 14001 certified consultancy with a proven track record across commercial, residential, retail, hotel, industrial, and student accommodation sectors. Our cost consultancy team combines deep market knowledge with a proactive, client-focused approach that prioritises cost certainty and best value from day one.

Operating across the full range of project scales and procurement routes, P&BC provides independent, commercially robust advice that is always aligned with the client's interests — never the contractor's. In a UK market characterised by cost inflation, supply chain fragility, and increasing regulatory complexity, that independence is invaluable.

Our close-knit team structure enables our clients to receive support from experienced, qualified professionals on all of our projects.

| P&BC cost consultancy service                   | Client benefit                                                                             |
|-------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>Cost Planning &amp; Estimates</b>            | Realistic budgets grounded in live market data                                             |
| <b>Feasibility Studies &amp; Cost Modelling</b> | Informed go/no-go decisions before costs are committed                                     |
| <b>Procurement &amp; Contract Advice</b>        | Competitive pricing and appropriate risk allocation under the most suitable contract terms |
| <b>Value Management / Engineering</b>           | Maximum quality and function per pound spent                                               |
| <b>Pre &amp; Post-Contract Cost Management</b>  | Budget certainty throughout construction                                                   |
| <b>Risk Management</b>                          | Proactive identification and mitigation of financial risk                                  |
| <b>Lifecycle Costing</b>                        | Optimised whole-life cost, vital in a rising-cost environment                              |
| <b>Cost Master Planning</b>                     | Strategic long-term capital investment planning                                            |

## Conclusion

The case for professional cost consultancy in 2026 is stronger than it has ever been. With UK tender prices forecast to rise 15% by 2031, construction labour costs increasing structurally year-on-year, the regulatory landscape growing more complex, and contractor insolvency risk remaining elevated, the financial consequences of poor cost management are severe.

Projects that engage a qualified cost consultant from the outset consistently outperform those that do not — finishing closer to budget, delivering better value, and avoiding the costly disputes and overruns that characterise unmanaged projects. For any project where cost certainty matters, professional cost management is the single most effective investment you can make.

*"For every pound invested in professional cost consultancy, clients can expect to save five to ten pounds in unnecessary construction costs. In today's market, that return on investment has never been more important to capture."*

### Speak to our Cost Consultancy team

Independent, RICS-regulated cost advice from feasibility through to final account — always aligned with the client's interests, never the contractor's.

Scott Dixon MRICS · Director of Cost Consultancy

**[sdixon@pandbc.co.uk](mailto:sdixon@pandbc.co.uk) · 020 3763 1906**

[pandbc.co.uk/services/cost-consultancy](https://pandbc.co.uk/services/cost-consultancy)