

# Association for Project Management

## Regulating for Growth Consultation Response

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1. The Association for Project Management (APM) is the Chartered body for the project profession, with over 45,000 individual members and over 470 corporate partners. We aim for a world in which all projects succeed because, when they do, society benefits. This response was completed by the APM Policy and Public Affairs team, with advice and guidance from APM's Benefits and Value Interest Network and APM's Sustainability Interest Network.
2. APM welcomes the opportunity to respond to the Government's consultation on how revised regulations can encourage projects and economic growth. Projects and project management are a key driver of economic growth and fiscal stability in the UK. The project profession has seen steady growth and increased GVA since 2019. The project profession remains a key contributor to the UK economy, with an estimated 2.3 million people working full time (FTEs) and £168.8 billion of GVA generated each year. <sup>1</sup> This represents an 8% growth in project management FTEs and a 19% increase in annual project management GVA since 2019.<sup>2</sup>
3. From the perspective of project professionals working at the point where policy intent becomes delivery reality, APM strongly supports the principle that well-designed regulation is an enabler of sustainable growth, not a barrier to it.
4. APM urges Government to focus not on deregulation, but on better regulation: clearer, simpler, more consistent, and explicitly designed to support high-quality projects that drive long-term, sustainable economic growth.
5. Regulation should be treated as a form of economic infrastructure. When it is clear, stable, outcomes-focused and enforceable, it reduces transaction costs, improves productivity, widens market participation (particularly for SMEs), and increases investor confidence. Conversely, unclear, contradictory or frequently changing regulation creates friction, increases bid and delivery costs, favours large incumbents with specialist compliance capacity, and ultimately suppresses growth.
6. APM members consistently observe that growth assessments focused narrowly on short-term compliance cost miss the wider economic picture.<sup>3</sup> Environmental quality, public health, social outcomes and skills retention are not peripheral concerns: they directly affect labour productivity, infrastructure utilisation, tourism, supply-chain resilience and long-term national value. Weak or poorly enforced regulation often externalises costs to other parts of the system, creating the illusion of growth while eroding net economic benefit over time.
7. Effective regulation must therefore be assessed across short, medium and long-term horizons, consistent with HM Treasury Green Book principles. International experience shows that economies which trade environmental and social safeguards for short-term speed may grow briefly, but then stall as workforce health, skills availability and infrastructure value decline.
8. APM also expresses the importance of alignment between policy objectives and delivery incentives. Where regulations unintentionally reward outcomes that conflict with stated objectives – such as prioritising greenfield development over affordable, well-connected

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<sup>1</sup> APM, The Golden Thread, 2024

<sup>2</sup> APM, The Golden Thread, 2024

<sup>3</sup> Interview with Dr Hugo Minney PhD, ChPP, CMgr, FRSA, MNucl, Chair of the APM Benefits and Value Interest Network, 2026.

housing – projects will deliver volume without delivering value. Regulation should incentivise behaviours that achieve the intended outcome, not merely remove constraints.<sup>4</sup>

9. The principal cause of delay and cost escalation in major UK projects is not regulation itself, but fragmentation, duplication and unclear escalation routes between regulatory and decision-making bodies. Streamlining oversight, consolidating regulatory capability, and enabling faster escalation of genuinely strategic projects – while retaining environmental safeguards and meaningful engagement – would materially improve delivery performance.<sup>5</sup>

### **Regulation designed around outcomes and benefits:**

1. Regulation in the UK is often designed and delivered for short-term compliance, which leads to long-term regulation not working to deliver long-term economic benefits to the economy. The project profession sees this first-hand in areas such as planning, housing and healthcare. We need to see regulation designed around the long-term benefits to enable economic growth and successful outcomes of project delivery.
2. Decisions on regulation should be assessed against *whole-system benefits*, not narrow short-term cost savings. Environmental, social and health impacts translate directly into economic outcomes (workforce availability, tourism, supply-chain resilience, investor confidence). Weakening regulation often externalises costs to other parts of the system, creating the illusion of growth while eroding net national value. APM advocates for regulatory impact assessments to include quantified benefits, not just compliance cost.

### **Streamlining regulation and decision-making:**

1. Streamlining regulation across the Government's decision-making channels is important to ensuring that regulation helps create effective project delivery in the UK. This should be done by reducing duplication across regulatory bodies, consolidating oversight capability, and using shared data and reporting platforms, that would cut delay of decision making without reducing scrutiny.
2. Where government objectives and decision making (e.g. affordable housing, net zero, infrastructure acceleration) conflict with delivery incentives, outcomes will fail. For example, relaxing planning controls to unlock greenfield development may increase headline housing numbers but undermines productivity, wellbeing and affordability objectives. Regulation must be designed to reward delivery of the stated outcome, not simply remove constraints.
3. Furthermore, regulation must ensure that economic growth through project delivery is advantageous in every region. Regulation should be held accountable to both national and regional government to ensure a streamlined approach to safe and effective regulation is equal in all parts of the UK.

### **Environmental Regulation:**

1. Environmental regulation reform is a key concern for the project profession. APM stresses that environmental regulation should be used to incentivise behaviours of sustainable project delivery, not to remove constraints that will be deliver quick projects at the dispense of sustainable and effective projects.

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<sup>4</sup> Interview with members of the APM Benefits and Value Interest Network, 2026.

<sup>5</sup> Interview with Members of the APM Benefits and Value Interest Network, 2026.

2. In the case of environmental regulations, projects are not just assessed on individual merit but are evaluated collectively to determine whether organisations succeed in their environmental goals. Poorly designed regulations can lead to multiple projects collectively failing long-term goals, in stark contrast to Government aims. Therefore, regulations must also be consistent, not contradict each other and be applicable across all projects.<sup>6</sup>
3. Furthermore, we need Government and independent regulators to consistently enforce environmental regulations across sectors. Inconsistent enforcement can lead to compliance evasion, undermined trust, and heightened costs. Regulators can encourage compliance to environmental regulation by making positive outcomes visible and enable project professionals to both observe and demonstrate publicly their own environmental and social impact of their delivered project.
4. Environmental regulation protects the productive capacity of the economy by safeguarding workforce health, natural capital and infrastructure value. Prevention is consistently cheaper than remediation.

#### ***Stakeholder engagement as a delivery discipline:***

1. Regulation can be hard to understand and implement due to its evolving nature across changing government policy. This confusion regarding complicated regulation can lead to delays in project delivery. The success of a project can hinge on strong and productive stakeholder engagement and in the case for stronger engagement on regulation, strong communication will determine the success of the project, from implementation to the support of the project from the public.
2. Greater emphasis on stakeholder engagement and communication is needed to minimize the risk of project challenges emerging, or in the worst case, projects not being started at all, which stifles economic growth across the UK.
3. Meaningful stakeholder engagement reduces opposition, delay and failure. Treating it as a tick-box exercise increases risk and cost. Clear, enforceable standards should be embedded in regulation.

#### ***Recommendations***

1. **Embed clarity and stability as core regulatory design principles.**
  - Regulations should be outcome-focused, consistently applied and stable over defined policy horizons to enable investment and delivery planning.
2. **Mandate benefits realisation in regulatory impact assessments.**
  - Require quantified whole-system benefits (economic, environmental, social) alongside compliance cost, aligned to Green Book methodology.
3. **Assess regulation across multiple time horizons**
  - Introduce short, medium, and long-term impact testing to prevent growth-damaging policy trade-offs.
4. **Create faster escalation routes for nationally significant infrastructure projects.**
  - Reform planning hierarchies to reduce duplication and delay while retaining transparency and accountability.
5. **Set enforceable standards for stakeholder engagement and communication**
  - Treat communication and engagement as a delivery capability with minimum quality thresholds.

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<sup>6</sup> Interview with members of the APM Sustainability Interest Network, 2026.