



Department of Health & Social Care

*From the Rt Hon Wes Streeting MP
Secretary of State for Health and Social Care
39 Victoria Street
London
SW1H 0EU*

20 January 2025

Dear Supplier,

Please find below an update on the New Hospital Programme (NHP) and the forthcoming main works procurement.

I appreciate that the uncertainty and ambiguity arising from the review have been challenging for your organisation, and I want to personally thank you for continued engagement with the Programme.

Government Review of New Hospital Programme

Last October, the Chancellor's Autumn Budget Statement confirmed that further details of the NHP review and next steps would follow in the new year.

The review has now concluded, and I set out the outcome in an Oral Statement to Parliament earlier today. An NHP Plan for Implementation has also been published on GOV.UK here: [New Hospital Programme review outcome - GOV.UK](#). In summary, the review concluded that all the schemes in the Programme required capital investment but that a new timetable for delivery was necessary. The Government is backing this plan with investment which will increase up to £15 billion over each consecutive five-year wave, averaging around £3 billion a year, from 2030. The exact profile of funding will be confirmed in rolling five-year waves at regular Spending Reviews, as with all government capital budgets in future.

We have secured five-year waves of investment, ensuring there is always a balanced portfolio of schemes at different development stages being delivered now and into the future. Wave 1 schemes are expected to enter construction between 2025 and 2030. The expectation for Wave 2 schemes is between 2030 and 2035, and Wave 3 will begin construction after 2035.

The Programme

The Terms of Reference for the review set out the schemes that were out of scope of the review and for which work would continue. This included hospitals already in construction, those with Full Business Cases already approved, and seven hospitals wholly or primarily built with Reinforced Autoclaved Aerated Concrete (RAAC), which have been continuing at pace. The published Terms of Reference for the review can



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be found here [New Hospital Programme review: terms of reference - GOV.UK](https://www.gov.uk/government/news/new-hospital-programme-review-terms-of-reference)
(www.gov.uk)

There will be no changes for those schemes that were out of scope of the review: all schemes will progress at pace with specific focus of resources on progressing the RAAC schemes.

You may have seen that last week the Infrastructure & Projects Authority (IPA) annual report included their assessment of the deliverability of the New Hospital Programme as “Red”, meaning that there were fundamental concerns that required a change in approach. I’m pleased to confirm that the most recent IPA review, completed last week, has assessed the Programme to be “Amber” thanks to action taken to improve deliverability.

NHP Programme Delivery Partner and main works procurement

The NHP will be appointing a Programme Delivery Partner (PDP) in the coming weeks to provide NHP with technical design support, commercial functions, programme delivery capability, architectural services, and other specialist skills. A PDP approach also provides flexibility in service provision, the agility to scale specialist capability to address the needs of the Programme, and scaling resources at pace to deliver a Programme of this size.

Finally, last week the NHP set out that the Main Works Partnership framework procurement would be re-named to the Hospital 2.0 Alliance, to better reflect the collaborative and enterprise approach that the commercial strategy and NHP Agreement will facilitate. The Selection Questionnaire (SQ) process for this procurement will be launched shortly.

Thank you again for your continued support for this critical programme. Should you have any questions, please do not hesitate to reach out to the team directly at nhp.suppliers@nhs.net

Yours sincerely,

RT HON WES STREETING MP