



Department  
of Health &  
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London  
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Dear Chair,

### **Update on the New Hospital Programme**

Last October, the Chancellor delivered her Autumn Budget Statement and confirmed that further details of the New Hospital Programme (NHP) review and next steps would follow in the new year. You may recall that we welcomed this review as a timely opportunity to ensure the Programme is on the soundest possible footing for delivery. The review has now concluded, and I set out the outcome in Parliament yesterday. The 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. 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). As a result, further analysis has been undertaken to assess what this means for the schedule and pace of the Programme, and timescales for individual hospital schemes. This approach reflects the need to balance other key priorities in health spending and recognises the fact that a lower funding profile has less associated risk with expanding market capacity.

There will be no changes for those schemes that were out of scope of the review. These include the seven schemes to replace hospitals built wholly or primarily from RAAC and those schemes that have already received approval of their Full Business Cases, and



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are due to start construction. All schemes will progress at pace with specific focus of resources on progressing the RAAC schemes.

We have secured five-year waves of investment, ensuring that there is always a balanced portfolio of schemes at different development stages, being delivered now and into the future. There are three investment waves, each with a group of schemes that are in scope of the review. 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 conclusion of the NHP review and outcome of the spending review enables NHP to continue supporting all schemes in their journey, which is not just to build a new hospital but to transform the way we design, deliver and sustain our healthcare infrastructure for generations to come.

The introduction of investment waves sets out a timetable for scheme delivery. While some schemes will begin construction in the next five years, this also means that others will start later than previously planned. Whilst no scheme is being taken out of the Programme, hard decisions have had to be made to ensure the Programme is on a realistic and affordable footing. Our commitment is to deliver these new hospitals, and we now have an affordable and deliverable plan to do this.

The most recent IPA review, completed last week, has assessed the Programme to be Amber as a result of the steps taken through our review of the New Hospital Programme and the announcement made yesterday does two things:

1. put the Programme on a firm footing with sustainable funding, so all the projects can be delivered; and
2. give patients, Trusts, and stakeholders a realistic, deliverable timetable in which they can have confidence.

We appreciate that this letter and yesterday's announcement may raise questions, and my officials are happy to meet with you to discuss any of this further if you would like.

Yours sincerely,

**RT HON WES STREETING MP**