

Westminster Hall Debate: New Hospital Programme, January 2025 – briefing note

NHS Providers is the membership organisation for the NHS hospital, mental health, community and ambulance services that treat patients and service users in the NHS. We help those NHS foundation trusts and trusts to deliver high-quality, patient-focused care by enabling them to learn from each other, acting as their public voice and helping shape the system in which they operate. NHS Providers has all trusts in England in voluntary membership, collectively accounting for £124bn of annual expenditure and employing 1.5 million people.

This briefing covers key aspects of the New Hospital Programme to date, the announcement made on Monday 20 January by the Secretary of State, and the perspective of trusts. If you require any further information, please get in touch via publicaffairs@nhsproviders.org.

Background

On 25 May 2023, the previous government reaffirmed its commitment to delivering the New Hospital Programme (NHP) to build 40 new hospitals by 2030, with spending on new hospital infrastructure forecasted to be a total of £22.2bn. However, by the general election in July 2024, only £3.7bn had been allocated for the NHP within the current spending review period ([Department of Health and Social Care, 2023](#)). Trusts with schemes within the NHP had been provided indicative allocations in order to progress their business cases. The previous government also incorporated the five trusts most at risk from reinforced autoclaved aerated concrete (RAAC) into the NHP and confirmed that all RAAC schemes (including two schemes already part of the NHP) would be fully funded and prioritised for completion before 2030 ([DHSC, 2023](#)). Due to the additional costs of prioritising RAAC trusts and high inflation in the construction sector, eight NHP schemes were already delayed beyond 2030.

Following the general election, the Chancellor announced that the government would be reviewing the NHP in order to “put the programme on a more sustainable footing” ([HM Treasury, 2024](#)). On September 20, 2024, the Department of Health and Social Care ([DHSC](#)) published the terms of reference for the review of the NHP.

Latest announcement on the NHP

On Monday 20 January, the Secretary of State for Health and Social Care made a statement on the outcome of the NHP review. Key points were:

- Funding for the implementation plan is yet to be allocated and will be subject to decisions at future Spending Reviews. The Secretary of State has stated that the ambition is for there to be three “5-year waves of investment” (2025-30, 2030-35 and 2035-40).
- Following discussions between DHSC and HM Treasury (HMT) ministers, it was agreed that the programme should plan on the assumption that each of the final two waves will be backed by £15bn of investment, averaging at £3bn a year. For context, the government committed a total of £3.7bn over the 2021 Spending Review (2022/23-2024/25).
- Details for the funding package for the first wave will be set out at the Spending Review in June. Total cost estimates for each wave are:
 - Wave 0 (already under construction): £2bn or less
 - Wave 1 (2025-30): £15bn - £19.5bn
 - Wave 2 (2030-35): £10bn - £14.5bn
 - Wave 3 (2035-40): £15bn+
- The Secretary of State has commissioned a site-by-site report on the RAAC hospitals to be published in the summer to understand the impact of RAAC mitigation work and to help inform decisions in the delivery of their replacement hospitals.
- Following the steps taken as part of the NHP review, the Infrastructure and Projects Authority (IPA) has assessed the NHP as “Amber” (meaning “the project’s delivery appears feasible but significant issues exist, requiring management attention”).

Implications of the announcement

Delays mean that the cost of delivering schemes will continue to rise. Trusts had already reported that further delays were already costing them approximately £1m a month as a result of inflation and the cost of repairing deteriorating buildings.

Trusts are understandably disappointed that further delays to the NHP mean that both staff and patients will have to wait longer to benefit from a modernised NHS estate. Many of the trusts included in the programme are currently treating patients in out-of-date facilities that are deteriorating at an alarming rate. Indeed, the proportion of the total NHS maintenance backlog confined to trusts within the NHP is 40% (£5.7bn). Trusts within the programme are concerned that estate-related issues are having a significant impact on their ability to deliver a safe and high-quality environment for both staff and patients.

For RAAC hospitals, the [Mott Macdonald report](#) made it clear that these hospitals will need to be replaced by 2030 due to safety concerns. A [redacted copy of this report](#) is available. Hospitals within the NHP with

RAAC need to be given confidence that they will be able to provide a safe working environment for staff to be able to continue delivering high-quality care.

Capital investment in the NHS

The independent investigation of the NHS in England undertaken by Lord Darzi, published in September 2024, concluded that the “NHS has been starved of capital”, emphasising the need for increased and sustained funding in infrastructure and technology to help the NHS meet current and future healthcare demands (Darzi, 2024). Trust leaders have consistently shared their concerns about the growing mismatch between the funding available and the level of infrastructure risk needing to be addressed across their estate.

The NHP alone is insufficient to meet the capital funding needs of the NHS. Challenges in delivering the aspirations of the NHP have unfolded within a context in which access to capital remains heavily constrained across the NHS. This leaves providers few options for accessing capital to invest in transformation and contributes to a growing backlog maintenance bill of £13.8bn.

Press release: Further hospital delays a 'major blow' for NHS trusts, staff and patients

Responding to the Secretary of States announcement on the NHP on Monday 20 January, the interim chief executive of NHS Providers, Saffron Cordery said:

"Today's announcement will come as a major blow to trusts, their staff, patients, and communities, many of whom now face even longer delays getting desperately needed new hospitals.

"Hospital rebuilds are vital to transforming services, improving safety, and delivering better quality of care for patients after years of under-investment in the bricks and mortar of the NHS.

"Despite a hugely welcome cash injection in the recent budget and further boost today, the fact remains that too many NHS buildings and facilities are in a terrible condition right now.

"Trusts who are part of the New Hospital Programme account for more than 40% (£5.7bn) of the total bill for backlog repairs and maintenance. Today's announcement will make a difficult situation even more challenging.

"Soaring costs, on-hold building projects and the growing bill for patching up crumbling sites and facilities has seen some trusts with already stretched budgets having to spend more than £1million a month because of delays. These costs will continue to mount as much-needed new buildings – delivering real value on investment - are delayed even further.

"Trust leaders absolutely understand the need to review hospital building plans and finances at a time when public finances are under huge strain. The government's own spending watchdog said the New Hospital Programme had not achieved good value for money. This underlines the need to pursue new and different sources of investment to fund NHS infrastructure.

"While today's announcement finally gives trusts some certainty and clarity over their long-awaited building projects, this is still a bitter pill to swallow."

This press release can also be found [here](#).

Further information

See our October 2024 [briefing on NHS capital](#), including the results of our survey of trust chief executives and finance directors.