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Healthcare Construction Market UK 2009-2013

New AMA report addresses the current state of the healthcare construction market and considers future developments

"The NHS has, in recent years, undertaken the largest hospital building programme in its history. More than 100 hospitals have been built under the 2000 NHS Plan. Although the programme is due to end in 2010, substantial funding increases for the healthcare sector by the government are planned for the next 3 years. With **over £21bn** planned on healthcare projects over the 2008-11 period, this sector offers a much needed opportunity for architects and contractors amidst the downturn being felt in other areas of the construction industry"

A brief summary of the report is included on the following page.

Priced at £650, the report is currently available from AMA Research Ltd, Telephone 01242 235724 or e-mail at sales@amaresearch.com.

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

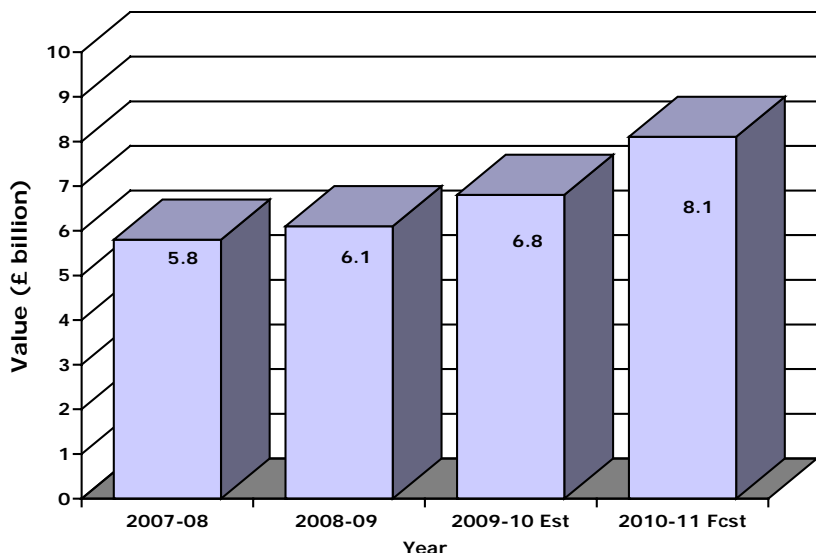
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Andrew Hartley or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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Healthcare Construction Market - UK 2009-2013

Value of UK NHS Capital Spending 2007-2011 (£ billion)



Following the publication in 2000 of The NHS Plan, which set out a programme of investment and reform in the healthcare sector on an unprecedented scale, the Government has largely delivered on its promise to increase capacity within the sector through a major capital building programme. By 2010, the DH is on course to achieve its target of 100 new hospitals, of which the vast majority have been delivered through PFI. To date, 131 hospitals have been built or are under construction as part of the scheme at a cost of £12 billion. In addition, around 3,000 GP premises have been modernised and around 750 primary care centres built, many of which have been completed under LIFT.

However, with the UK currently experiencing the first economic downturn since the 1990's, the outlook for healthcare construction programmes now seems less certain than in previous years. The Government is now looking to provide stimulus for the construction industry by bringing forward further development of the healthcare estate.

Over the past year, the Government's healthcare programmes had begun to slow, with around £2.4bn worth of PFI projects issued over the past two years on hold and many flagship schemes shelved as early as June 2007, before the credit crunch. During 2007, seven large hospital projects, worth a total of £1.7 billion, started on site and in 2008, just two large hospital projects started on site.

However, in 2009, despite the deepening recession, some large PFI hospitals may now go ahead under the government's plan to help fund up to £13bn of PFI projects and there are renewed signs that healthcare initiatives in the public and private sectors could now provide significant work opportunities for contractors during the downturn.

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For contractors and suppliers, the healthcare market is still growing, despite the slowdown in large PFI hospital projects and the re-branding and re-procurement of the Procure21 and LIFT initiatives. Although the major contractors prevail in the larger, complex projects, there remain many opportunities for regional and medium sized companies both as sub-contractors and also as prime contractors for smaller sized facilities through the new P21+ and Express LIFT programmes.

Procure21 is currently being re-tendered and from 2010, the Framework will be worth around **£2.9bn over a 4-year period**, while Express LIFT is likely to be worth around **£500-600m** when projects begin to feed through.

AMA Research's report "**Healthcare Construction Market – UK 2009 - 2013**" is available in hard copy or electronic format for £650 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.