Healthcare Construction Market Report - UK 2017-2021 Analysis

Published: 09/05/2017 / Number of Pages: 103 / Price: £895.00

Introduction and Overview

The 7th edition of the **'Healthcare Construction Market Report - UK 2017-2021 Analysis'** focuses on key market trends and major structural changes within the NHS and private sectors, which should be of particular interest to construction professionals involved in or targeting the healthcare sector.

Key issues covered in the report:

- Government reform of the NHS and implications of the Health & Social Care Act for the construction industry.
- New providers and clients under the new NHS structure.
- Analysis of capital funding to 2021 and capital funding arrangements under new NHS structure.
- Major contractors, consortia, developers and investors involved in the healthcare sector - construction pipelines, budgets, key schemes and players.

Areas of particular interest include:

- Review of primary healthcare and GP estate and Government funding to upgrade premises - GPs now firmly at the core of the NHS.
- Review of future of main procurement routes and construction - PFI and Private Finance 2 (PF2), LIFT and ExpressLIFT, Hub Initiative in Scotland, Procure21+, Designed for Life: Building for Wales and Frameworks Scotland - construction pipelines, budgets, key schemes and players.
- Shift away from major new build hospital schemes towards local and primary health facilities and refurbishment schemes. ExpressLIFT and P21+ construction pipeline.
- Review of growing involvement of private sector and commercial providers in the NHS primary care provision.
- Detailed market data and insight on the healthcare construction market by AMA Research, a leading UK provider of construction market intelligence.

Some of the companies included:

Balfour Beatty, BAM, Bowmer & Kirkland, Bouygues, Bovis, Carillion, Eric Wright Group, Galliford Try, Graham Construction, ISG, Laing O'Rourke, Kier, Interserve, John Laing, John Sisk, Laing O'Rourke, Lend Lease, McLaughlin & Harvey, Midas Construction, Mitie, Morgan Sindall, NG Bailey, RG Carter, Robertson Construction, Rydon, Seddon Group, Sir Robert McAlpine, Shepherd Building, Skanska, Simons Construction, Vinci, Willmott Dixon.

Public Sector Healthcare in the UK

- Overview and new structure of the NHS - England, Scotland, Wales - Government reforms of the NHS and implications of new Health & Social care act.
- New providers and clients under new NHS structure - CCGs, Foundation Trusts, NHSCB.
- Size and condition of NHS estate in England, Wales and Scotland - impact of reforms on NHS estate rationalisation and upkeep.
- Healthcare spending and investment - primary care spending, NHS funding in Wales, Scotland and Northern Ireland, forecasts 2017-2021.

Private Acute Healthcare Sector in the UK

- Private partnership with the NHS and analysis of private and corporate providers in the NHS.
- Acute private hospital provision and leading providers - number of facilities, key contracts.
- Private healthcare companies - key players, market size including major groups, retail outlets moving into primary healthcare, private healthcare groups and property/investment companies - top 25 major players specializing in GP and primary care premises investment and development.
- Private dental care - major dental companies/practices.

Contractors' Output in the Healthcare Sector

- Analysis of total new work construction output - output by sector for 2017 and beyond.
- Construction output in the healthcare sector - 2012-2021 - factors influencing forecasts.
- Healthcare construction work pipeline - key funding streams (PFI/PPP, P21, P21+), programme budgets to 2021, number of schemes/capital values.
- Capital expenditure in the NHS - England, Scotland, Wales and N. Ireland - key developments.

Procurement of Healthcare Construction Work

- Size/value of PFI healthcare market and progress of schemes to date.
- Future of Healthcare PFI (Private Finance 2) - key schemes, values.
- Overview of NHS LIFT/ExpressLIFT/Hub Initiative in Scotland/Procure21 & Procure21+/Designed for Life: Building for Wales Framework/Frameworks Scotland - budgets, construction pipelines, progress to date, forecasts.
- NHS ExpressLIFT and P21+ construction pipelines to 2020 - values, schemes, status, players etc.
- Other finance and procurement options for NHS clients - LABVs, joint ventures, surplus land - open up the market considerably to smaller firms and suppliers.

Construction Supply in the Healthcare Sector

- Key construction companies in the healthcare sector - recent projects.
- Key consortia in healthcare sector - key players.
- Healthcare developers and investors.
- Current construction opportunities and tenders in the healthcare sector.

Report Summary

The Government has announced a forward pipeline of around £5.7bn worth of capital projects in the healthcare sector between now and 2020, and beyond. There are nearly 600 individual health projects under almost 100 schemes, which are mainly spread across the English regions, of which there are around 10 large NHS-led capital programmes, in addition to smaller works and capital programmes procured via the Procure 21/Procure21+ frameworks. However, whilst the DH was allocated £4.8bn for capital investment for each year to 2020-21 in the 2016 Budget, this represents a real-terms cut of 1.7% each year.

As a result of GP-led commissioning and financial constraints, the procurement of services to the NHS, including construction, are increasingly looking towards increased partnership with the private sector. A further driver is also taking place in the acute healthcare sector with the creation of NHS Foundation Trusts, under which hospitals can generate their own income. As a result, there has been a rise in private providers refurbishing part of existing hospitals, adding extensions, new-build facilities or even taking on the full operation of a hospital. Foundation trusts are expected to be a popular target for construction companies as they tend to be more commercially aware and are usually more financially robust.

Health sector construction output peaked in 2008, followed by a decline of around 50% to around £2.9bn in both 2015 and 2016. Despite 4 years of declining output between 2011 and 2014, the outlook for health construction output remains steady, if moderate, into the medium-term, with annual rates of growth of 3-5% currently forecast to 2021 as work on small hospital projects is boosted by privately-funded projects under PF2. The moderate forecast is based upon the steady level of health new orders over the last 2-3 years, and the focus on delivery of local services and chronic disease prevention initiatives put forward by successive Governments. Health RMI into the medium-term is also likely to remain positive but moderate and there are likely to be significant regional differences, especially where demand for key services is high.

Going forward the key construction opportunities in the healthcare sector are likely to be in the primary care sector - including GP surgeries and community health centres - and this may entail further opportunities for the development of hub facilities and integrated GP premises. In the acute and secondary sector, much of the medium-term is expected to lie in refurbishment and extensions, with very few big, brand new hospitals planned for development. The introduction of P22 should mean a continued focus on partnerships to drive increased efficiency and productivity, whilst lowering construction and maintenance costs. Contractors will also be waiting to see how new procurement routes and private finance initiatives will be used to procure work in the health sector in 2017 and beyond, with the expiration of the Express LIFT framework and both the DH and CHP currently working to explore future options for health PPPs.

List of Report Contents

Contents Listing

Tables & Charts

The **'Healthcare Construction Market Report - UK 2017-2021 Analysis'** costs £895+VAT (if applicable) for a PDF version.

Other formats are available - click here for a information about available report formats. All AMA reports are sold with a single user licence as standard. For more information about AMA licences click here.