LaingBuisson

Primary care provides main driver for growth in healthcare construction

London, 29 October 2018

LaingBuisson has published the first edition of its new 'Healthcare Construction 2017-2021' market report.

The report shows that against a backdrop of declining capital investment in the NHS, healthcare procurement and construction is also changing. The government has announced a forward pipeline of approximately £5.7 billion-worth of healthcare capital projects between now and 2020. £2.5 billion is allocated to ten large NHS projects, and the remaining £3.2 billion to 587 small-medium projects under the Procure 21/21+ and Procure 22 schemes.

This reflects the shifting focus of the market, with a greater part of the work now focused on lower cost refurbishment works and expansion of hospital buildings rather than construction of new buildings. This change is driven by the transfer of commissioning functions to CCGs and NHS England. In particular, CCGs are increasingly involved in commissioning facilities and property and looking at their long-term facility and estate requirements as part of their clinical strategies. Furthermore, through CCGs, GPs are working more closely with developers and their supply chain to build or update premises.

This is in line with the *Five Year Forward View*, which puts an emphasis on primary and community care, and there has also been recognition that the quality of primary care premises has lagged behind. This is largely attributable to austerity and also bureaucratic delays that have prevented the quick development of many new-build primary care facilities.

Another driver for investment in primary care is the General Practice Forward View, which sets out the importance of investment in premises and technology in the transformation of primary care. In 2015/16, NHS England began a £1 billion programme to support primary care and GP surgeries to make improvements in premises and in technology and this has been backed by both capital and revenue funding under the Estates and Technology Transformation Programme.

It is expected that primary care will continue to provide the greater opportunities for construction companies operating in the healthcare sector.

Henry Elphick, CEO, said:

"Going forward the key construction opportunities in the healthcare sector are likely to be those in the primary care sector – including GP surgeries and community health centres – and, in line with a general move to care for more patients outside of hospital and closer working with social care providers, 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."

- Ends –

For further information please contact:

LaingBuisson
Heidi Nicholson
Lucy Taylor
Tel: 020 7833 9123

Notes to Editors

About LaingBuisson

LaingBuisson has been serving clients for over 30 years with market, policy and strategy insights, data and analysis across healthcare and social care. We are the chosen provider of independent sector healthcare market data to the UK Government's Office for National Statistics and work globally with providers, commissioners, payors, manufacturers, investors, regulators and advisors. We help our clients to understand their markets, make informed decisions and deliver better outcomes through market intelligence, consulting and data solutions.

For more information, please visit our website at www.laingbuisson.com.

About Healthcare Construction 2017-2021

Healthcare Construction 2017-2021 Market Report focuses on key market trends and major structural changes within the NHS and private sectors and is of interest to construction professionals involved in or targeting the healthcare sector. The report looks at public sector healthcare in the UK; the private acute healthcare sector in the UK; contractors' output in the healthcare sector; procurement of healthcare construction work; and construction supply in the healthcare sector.