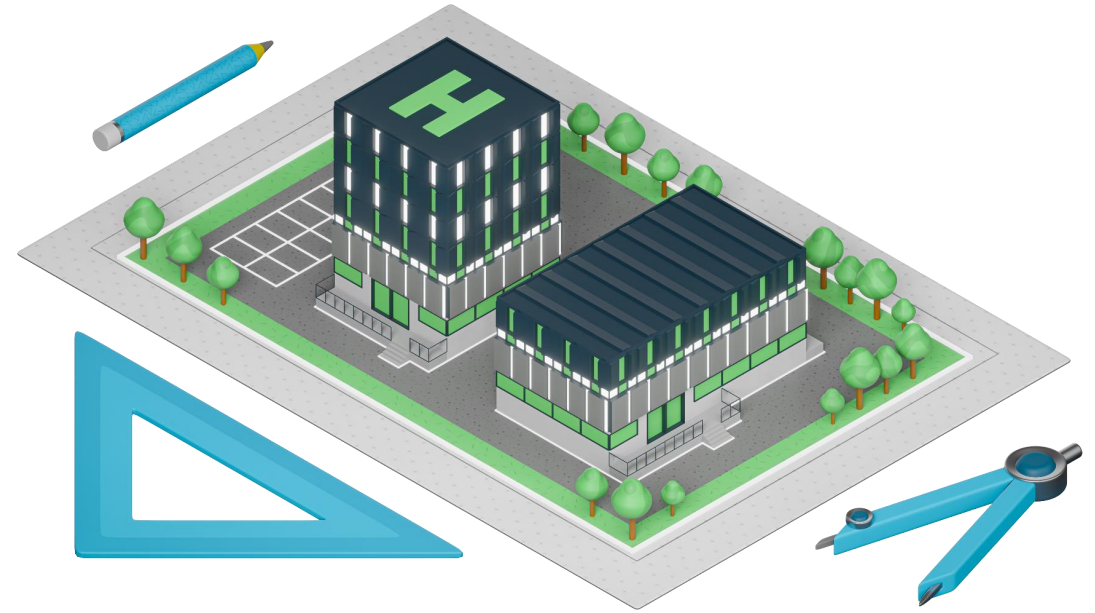


# NHP Briefing Event

12.04.2022

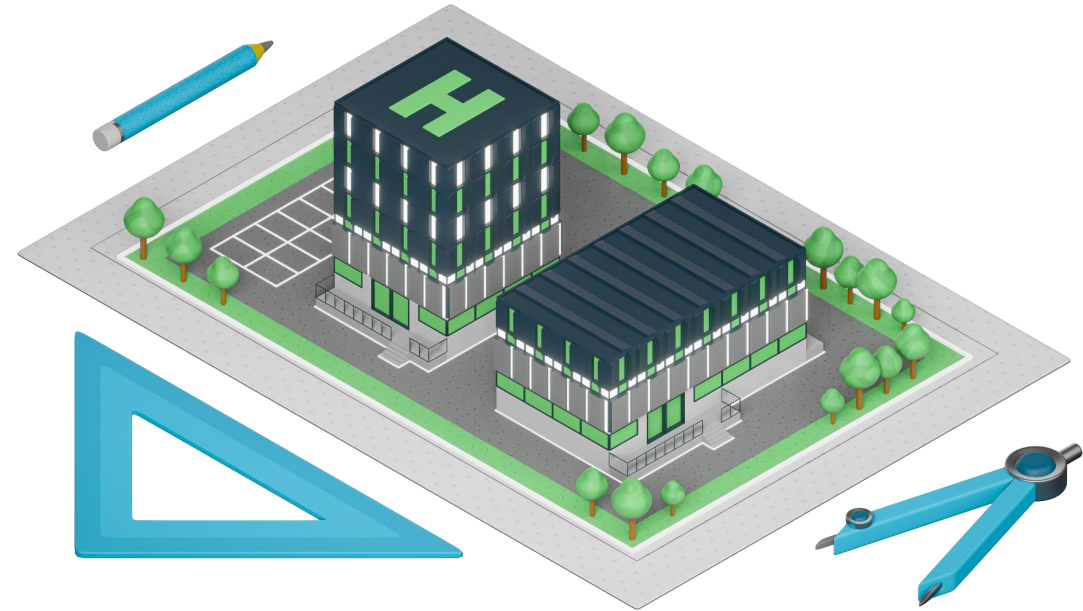


## Competition law compliance

Please be aware that activities conducted by or within a trade body are subject to competition rules.

Members must not discuss/ Staff must not allow members to discuss any competitive sensitive information in or around ACE meetings or events.

ACE takes these requirements seriously. Please visit our [Competition Law Compliance Policy](#) to find out more.





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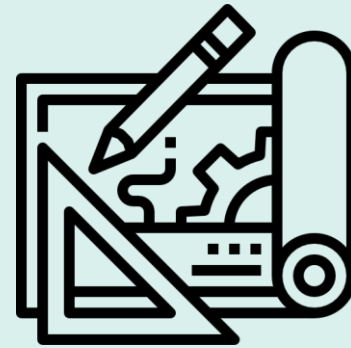
# **The New Hospital Programme Commercial Approach**

**Emma-Jane Houghton**

**NHP Commercial Director**

**April 2022**

# Programme vision



NHP (New Hospital Programme) is **transforming the way we deliver healthcare infrastructure for the NHS**



**48 hospitals by 2030**  
the biggest hospital building programme in a generation



*“As a nurse, I have seen first-hand the difference that investment in our hospitals can make.*

*New hospitals bring new opportunities, and our hospital building programme will mean better facilities and more modern spaces for staff to work and patients to visit.”*

**Natalie Forrest – Senior Responsible  
Owner of the New Hospital Programme**



**Cohort 1 – Onsite**



**Cohort 2 – Early**



**Cohort 3- Pathfinders**



**Cohort 4 - Full adopters**



**Cohort 5 - Full adopters**







## National Infrastructure Strategy

Fairer, faster, greener



## THE CONSTRUCTION PLAYBOOK

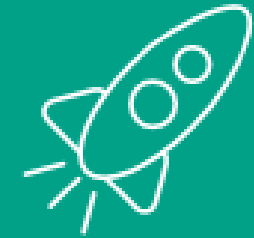
Government Guidance  
on sourcing and contracting public works  
projects and programmes



Version 1.0  
December 2020



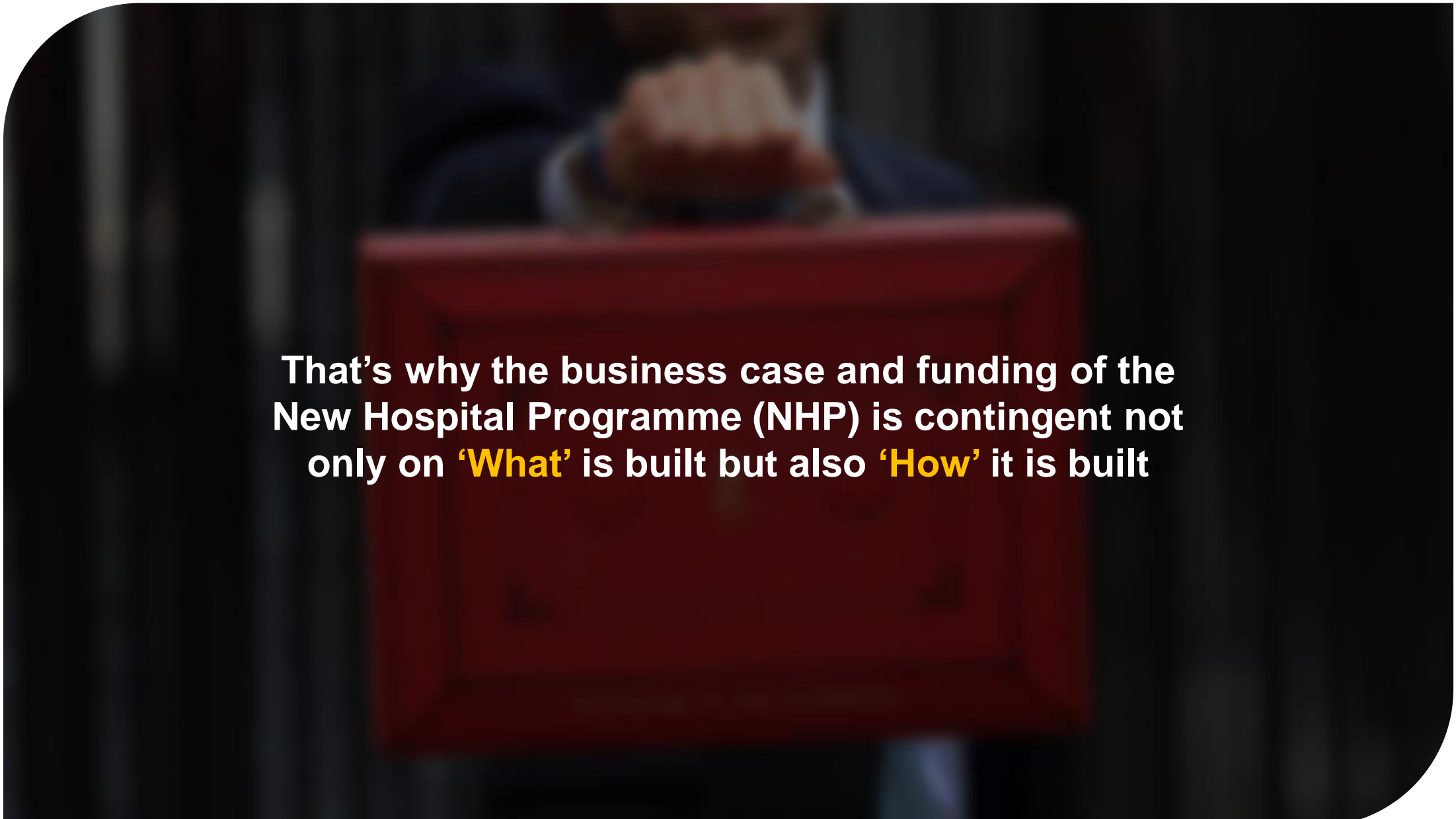
Transforming  
Infrastructure  
Performance:  
Roadmap to 2030



## We're at the spearhead of adopting government best practice

A catalyst for critical government  
priorities including levelling up,  
driving productivity and delivering  
on skills, jobs and growth





That's why the business case and funding of the New Hospital Programme (NHP) is contingent not only on **'What'** is built but also **'How'** it is built

# A commercial strategy and procurement approach that...



HM TREASURY



Is a centralised departure from Business-as-usual approaches



Maximises the use of Modern Methods of Construction



Uses standardised components right through to a kit of parts approach



Enables the delivery of programmatic benefits





# If we follow a BAU approach we won't deliver the results



## Investment

If we follow a BAU approach, we won't deliver the programmatic benefits that HMT wants to see

Funding is predicated on delivering efficiencies through a programmatic approach to hospital building.



## Capacity

If we following a business-as-usual approach, we'll be asking more of the market than its current capacity, with capability gaps in key segments.

The scale of NHP will require the expansion of current market capacity and the adoption of new methods and technologies.



## Innovation

If we follow a business-as-usual approach, we won't build confidence in the market and we won't attract new entrants, innovations or investment

We need new commercial models that allocate risk fairly, secure market appetite and provide confidence to drive investment



## Productivity

If we follow a business-as-usual approach, we won't deliver on a sustainable delivery model

Through MMC, we can deliver hospitals efficiently, in ways that reduce waste and carbon intensity in construction and end use





# NHP's Commercial approach must



Enable the wider benefits of the NHP Programme



Establish and manage NHP contracts to provide predictability of outcomes that are sustainable for suppliers



Track, build and nurture a strong, confident and competitive market of suppliers and partners



Build a foundation of robust cost management capability for NHP



Deliver efficiencies in procurement, design, contracting, building, technology, space, which will ultimately deliver more efficient care

# We've been reaching out and listening to the market

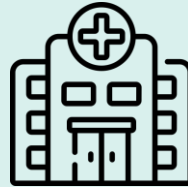
## Ensuring market contribution to the overall strategy



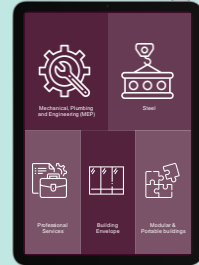
### PIN launch June 2021

600+ smart survey submissions to date  
69% of submissions from SME's

## Understanding supply market risk



Learning from Cohort 1 schemes



Sector analysis and market soundings

Broad range including: MEP / Steel / Building Envelope / modular & portable & professional services

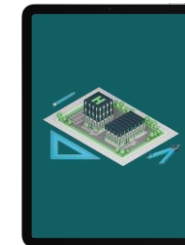
## Building & consolidating market appetite



20+ engagement events  
1,000+ unique businesses engaged  
1,000+ queries resolved via SMM mailbox



Commercial Pipeline published March 2022 – 1,800 downloads



Supplier Guide published



# NHP commercial strategy response

## A Framework Alliance that evolves



As a client approach



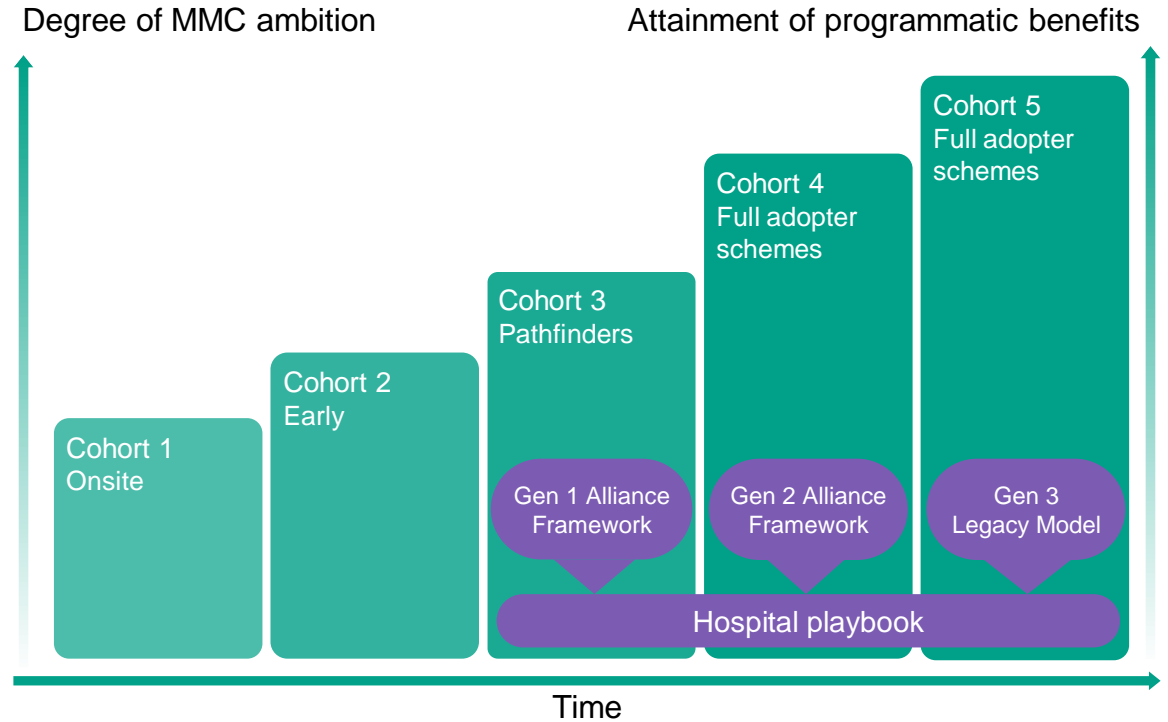
As a market capability

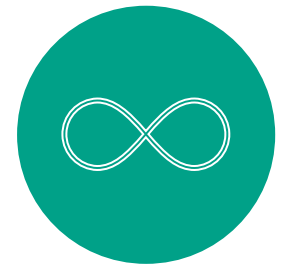
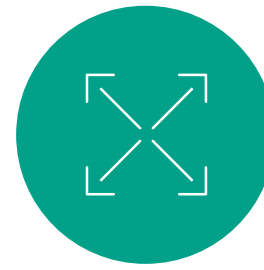
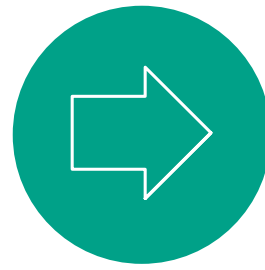


Increasing programmatic benefits over time

An evolutionary approach that progresses through generations to ensure early benefits are achieved but nevertheless facilitates sea-change in the delivery of major programmes

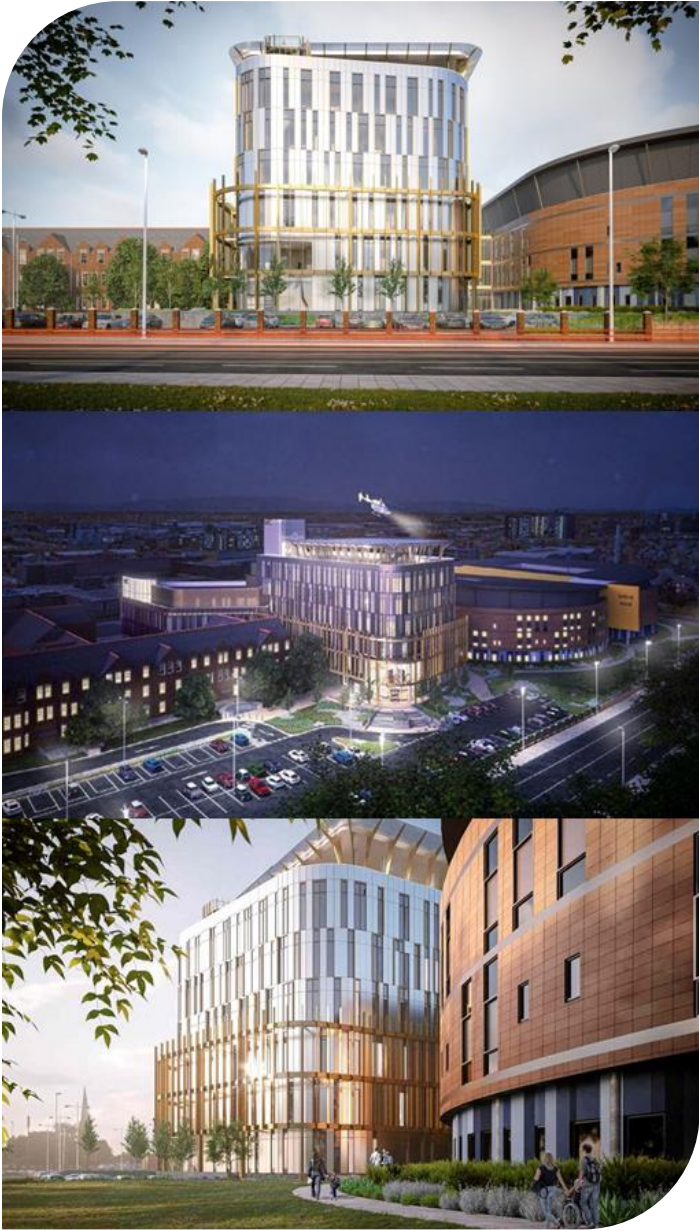
- The Commercial Approach that we're working towards is a Framework Alliance
- This will be developed incrementally cohort by cohort
- NHP will engage and collaborate with Trusts and the market to start thinking more about the bigger Programme picture
- Shifting away from looking at each scheme individually in a business-as-usual way towards a new programmatic "drum-beat"





Cohort 1	Cohort 2	Cohort 3	Cohort 4	Cohort 5
Traditional	Gen 0 Partnering Agreement	Gen 1 Framework Alliance	Gen 2 Alliance Framework	Gen 3 Legacy Model
<b>Onsite</b>	<b>Early</b>	<b>Pathfinders</b>	<b>Full adopters</b>	<b>Full adopters</b>
8 schemes	10 schemes	Pioneers for programmatic approach realised through Framework Alliance	All remaining schemes	Model established for further 8 NHP schemes to be identified and future hospital building programmes
Delivered largely in business-as-usual fashion	Smaller schemes that are flexible in delivery	Supporting each other and incorporating increasing elements of standardisation	Realising the full benefits of the programmatic approach	An all-encompassing bespoke and optimised alliance approach
			Maximised incorporation of standardisation and learning from previous schemes	Maximum efficiency realised through learning legacy of preceding generations





## Alliances are a long-term, consistent relationship between the client and the contracting parties.



### Long term

supports commitments, investments in people, technology, and learning



### Align objectives

focuses collective effort on joint challenges



### Risk and reward sharing

supports R&D, innovation and new entrants



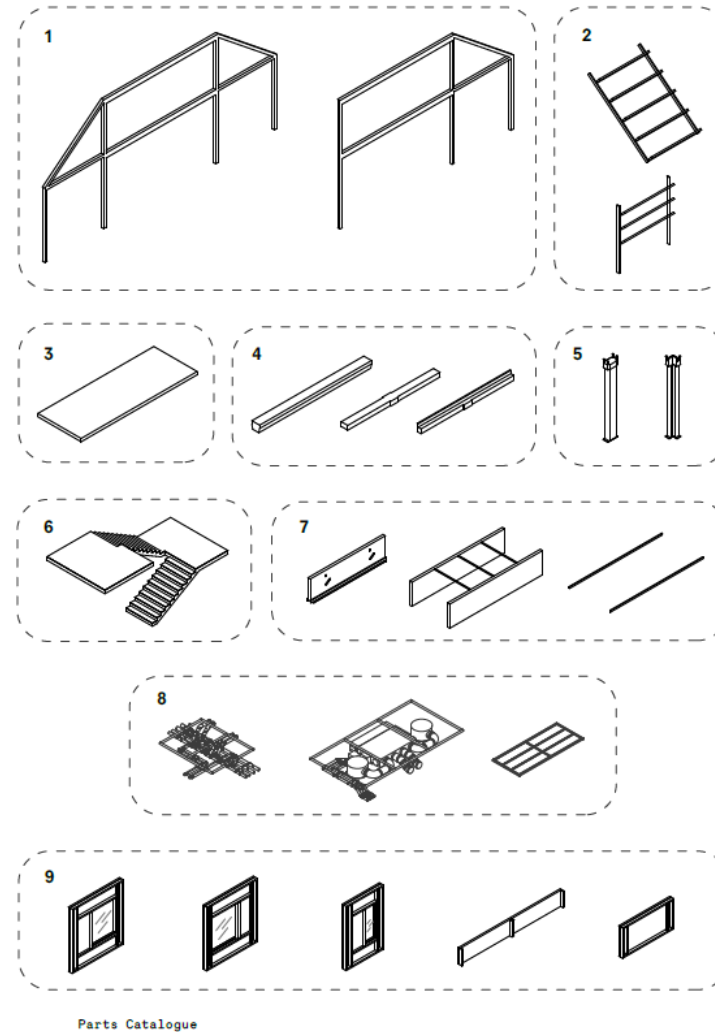
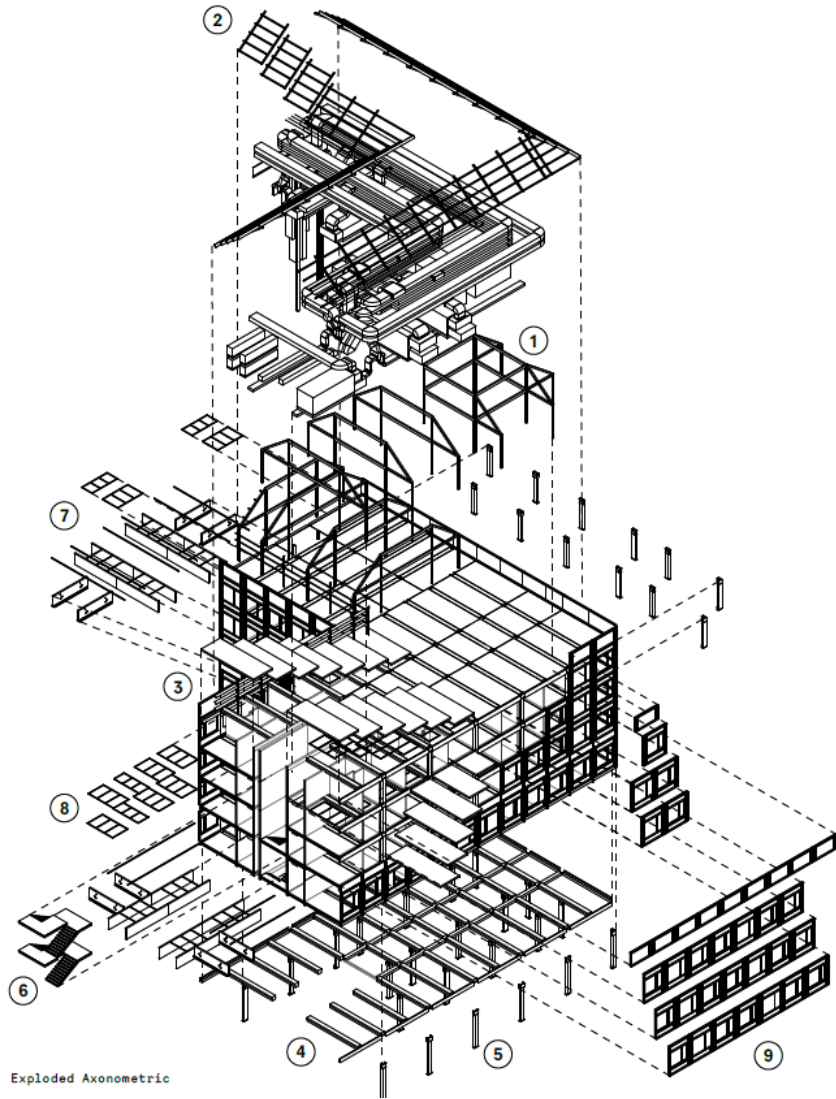
### Evolving

matures over time and through the cohorts of Trusts, in ambition, scale and capability



### Collaborative

focuses on relationships, integrated working and trust



# Framework Alliance

A core enabler of maximising design standardisation



# Other benefits our Framework Alliance approach will unlock...



## Unlock MMC

Componentised design approach



## Attract New funding

In capital intensive manufacturing of hospital components



## Attract new entrants

Make working with NHS and building hospitals more attractive



## Foster innovation

Bring the right people together to solve challenges in a 'safe' contractual environment



## Build intelligent and experienced teams

Through repeated work across similar schemes



## Deliver early Supply Chain involvement

Reflecting best practice set out in The Construction Playbook







**What does this mean for your business?**





**The scale of the New Hospital Programme will call upon the skills and expertise of companies of all sizes, across a broad range of sectors.**



**This is an opportunity for businesses to make long-term investments in their capabilities, create jobs, drive growth and help in delivering world-leading experiences for patients and staff.**

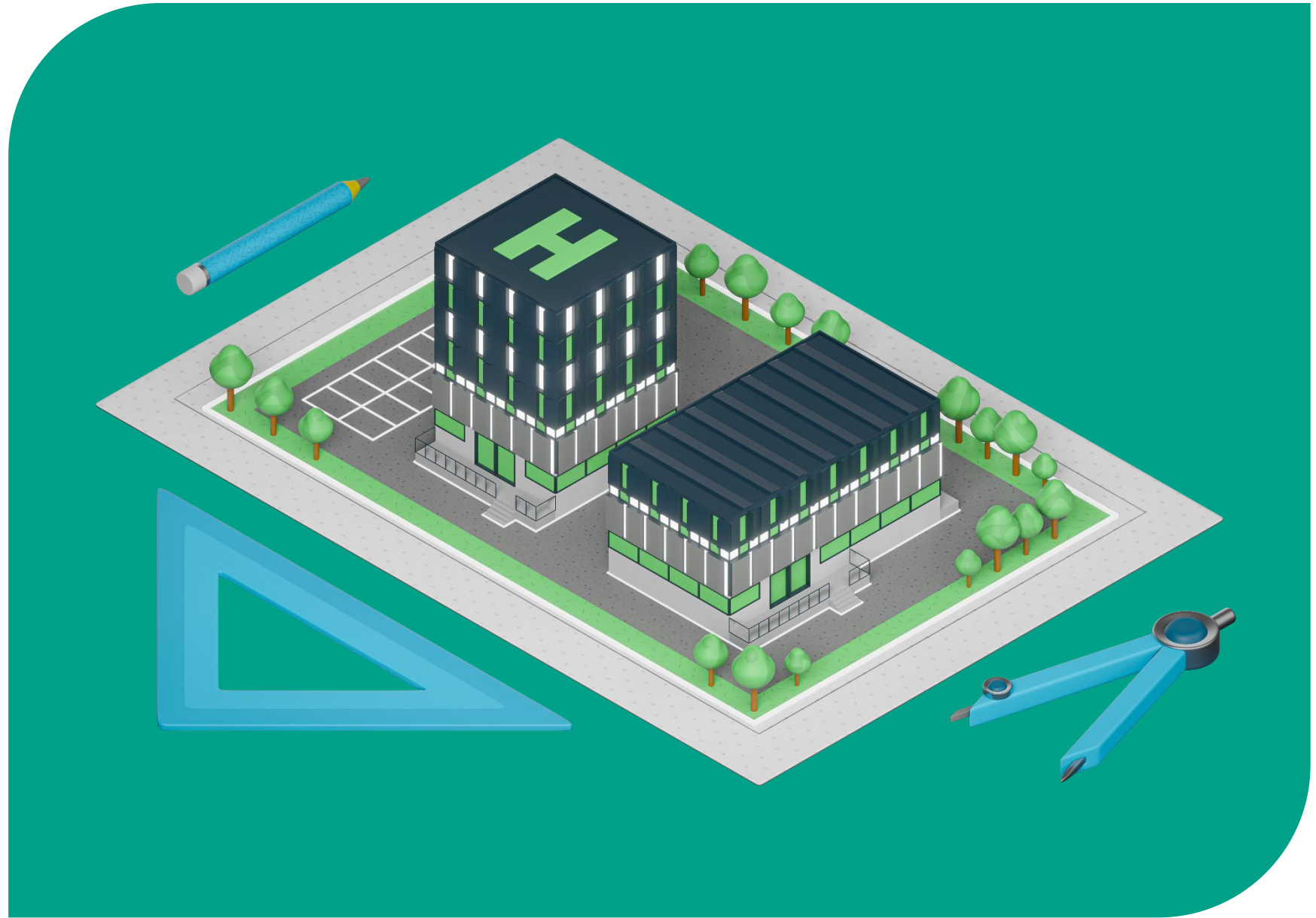


**We need to bring the right people and the right teams together to foster innovation and deliver hospitals of the future.**





**Thank you**





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# **NHP Generation 1 Framework Alliance**

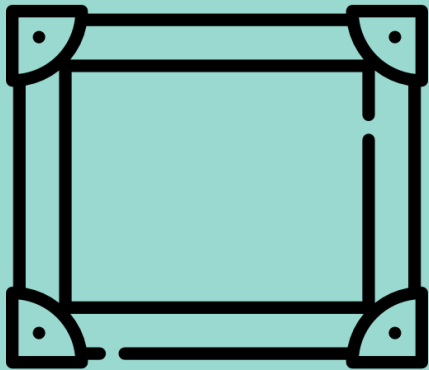
## **Development of the Package Procurement Plan**

**Stuart Powls**

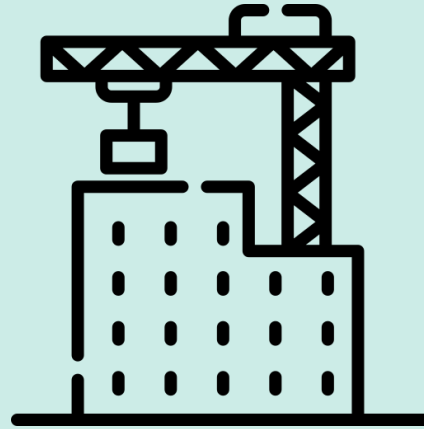
**NHP Head of Procurement**

**April 2022**

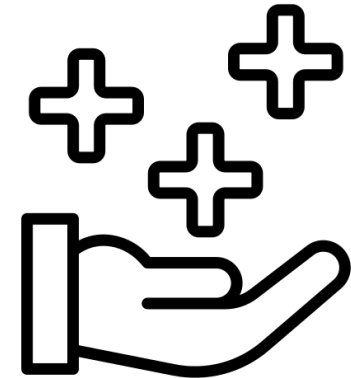
# Why we're here to talk to you today...



We're launching the Generation 1 Framework Alliance, which is the route to market for Cohort 3 hospitals

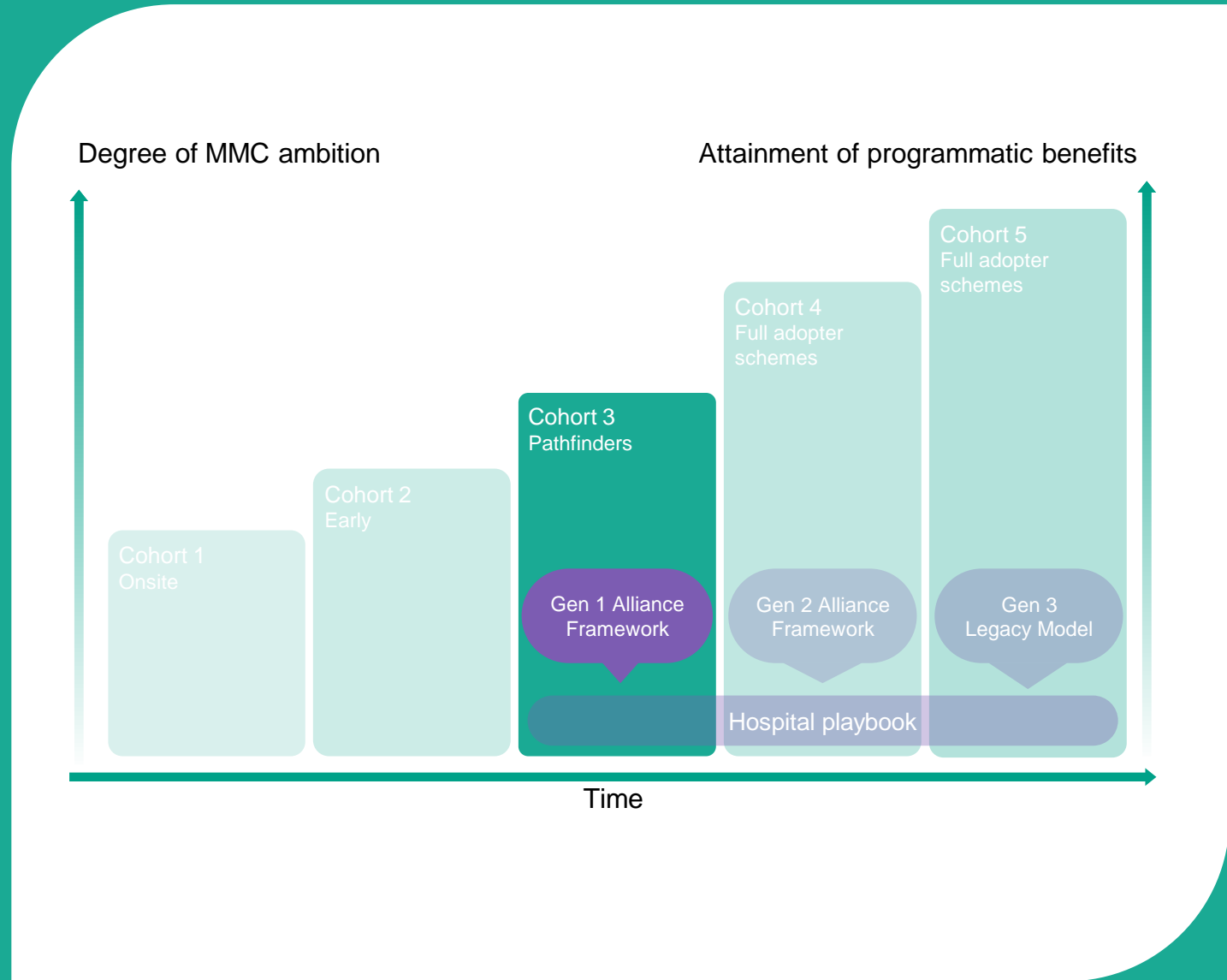


This is an opportunity to compete for contracts with an **estimated construction cost of £1bn+**



There will be benefits to joining the Framework Alliance even for those businesses who don't build this initial cohort of NHP hospitals

The intention of the **Generation 1 Framework Alliance** is to create an attractive contracting environment for the delivery of Cohort 3 hospitals and an environment that can evolve in line with NHP commercial strategy for the future Cohorts.



# There are 3 stages to joining the Generation 1 Framework Alliance



1. Standard Selection Questionnaire Phase (SQ Phase activity)



2. LOT 1 element (tender activity)



3. LOT 2 element (tender activity)





# 1. Standard Selection Questionnaire Phase (SQ Phase)

SQ Criteria is needed to enable a capability based sift but one that is not too tightly constrained.

– backwards looking and more a pass / fail. Not for shortlisting but just to weed out any outliers.





## 2. LOT 1 element (tender)

“LOT 1” is a **sift of the credible players** after the SQ stage on quality grounds and to create a wide pool of current and future market capacity not just for those interested both in the initial Cohort 3 hospitals but also for Cohorts 4 & 5\*

Those who have exceeded a stated threshold or who are **within the top 20** ranking after LOT1 evaluation are awarded a place on the Gen 1 framework

as “**Collaboration Contractors**” who participate in the Alliance and are paid

**Generation 1  
Framework  
Alliance**

### New Hospital Programme (NHP)

**Lot 1**

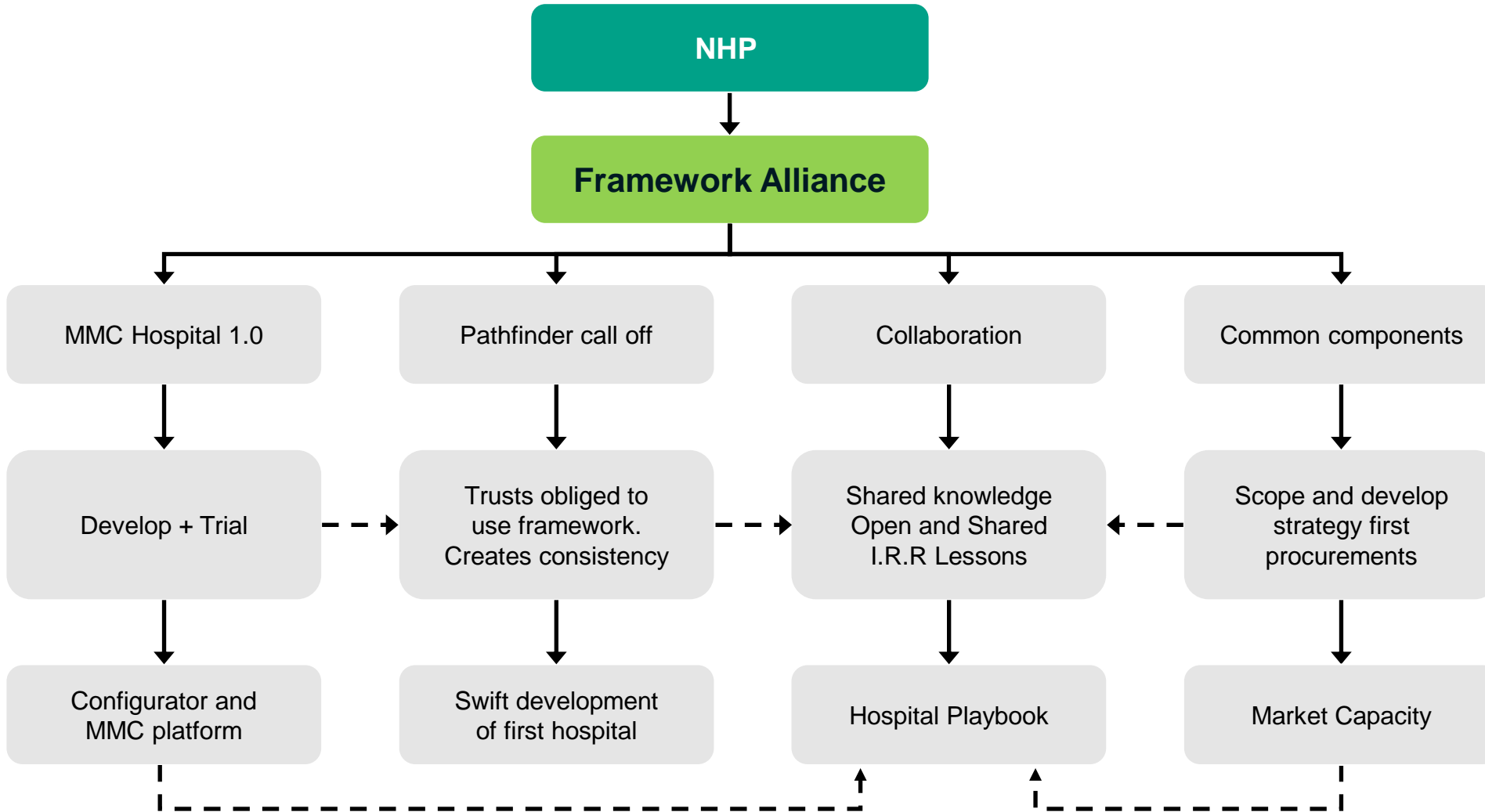


**Lot 2**

\* Model established for further 8 NHP schemes to be identified and future hospital building programmes



# What are the benefits of being a Collaboration Contractor?



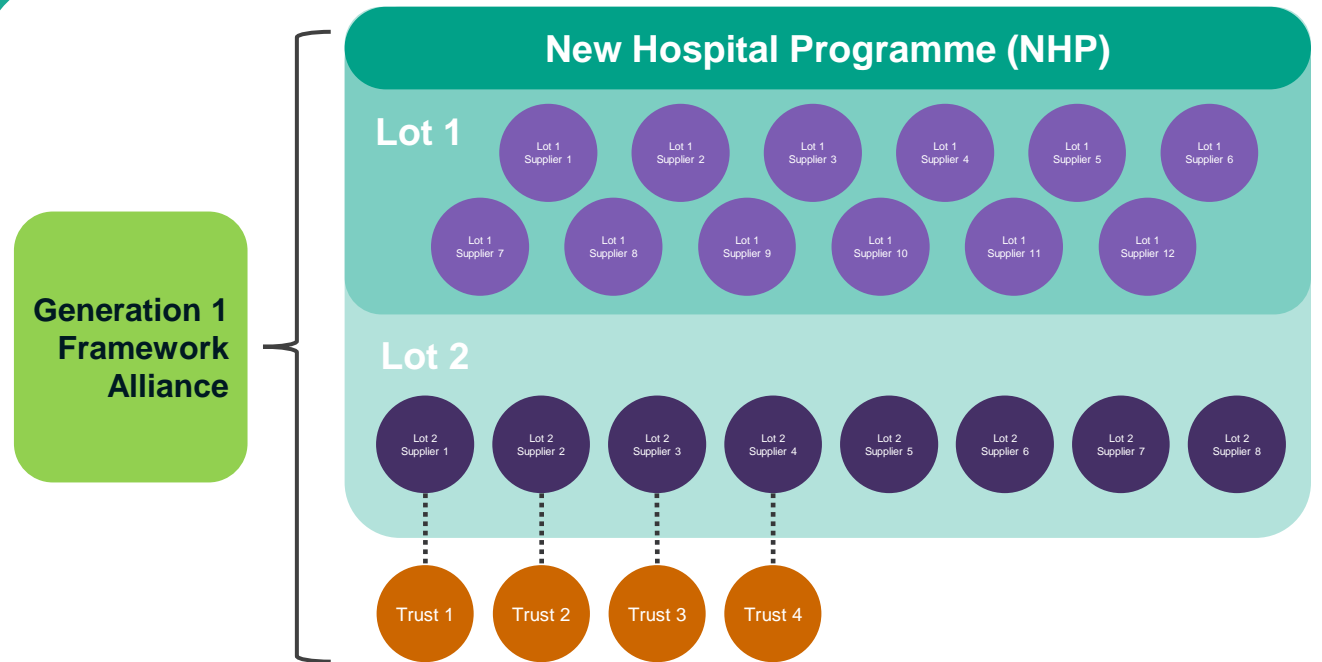


## 2. LOT 2 element (tender)

Submissions for the “LOT2” element in the initial round of the Gen 1 framework alliance competition are evaluated against MEAT criteria and the top 8 ranked contractors are awarded the role of “**call off contractor**” having demonstrated that they are credible players for delivery of cohort 3 hospitals.

LOT2 submissions are provided for each Cohort 3 hospital that is ready to go to construction at the initial round.

Trusts will be requested to help NHP build the evaluation criteria and be part of the pairing process prior to Stage 1 ECI commencing.

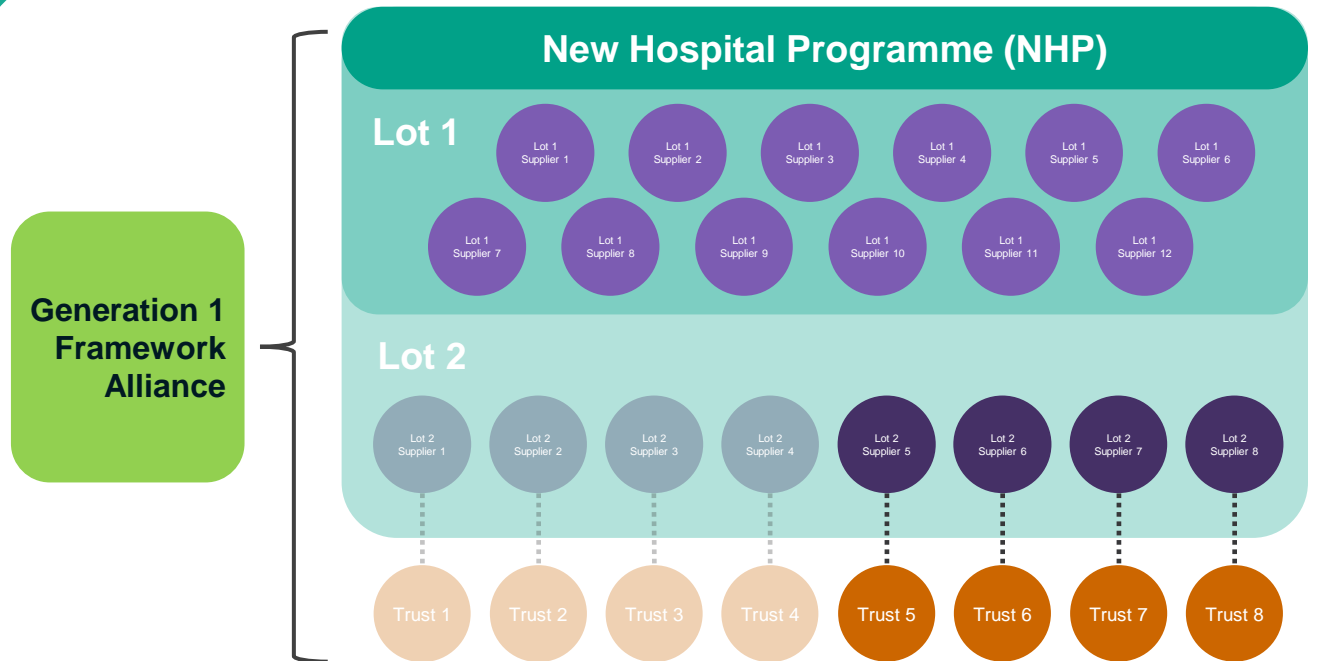




## 2. LOT 2 element (tender)

For Cohort 3 hospitals that are not ready to be competed in the initial LOT2 competition, future mini competitions will be undertaken, giving the opportunity to those LOT2 entities who had not already been awarded a Cohort 3 hospital.

The above process gives flexibility to respond to when Trusts schemes are sufficiently mature and ready to go to market.



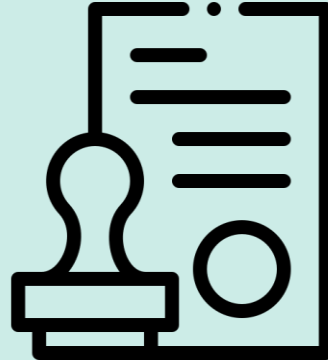


# Our plans moving forward



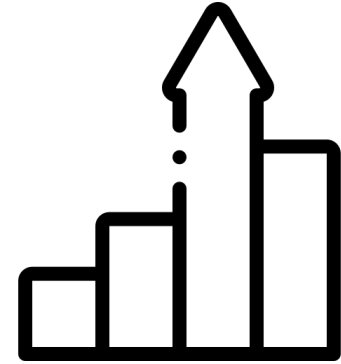
## February 2022 – October 2022

Preparation for the procurement (plans / strategies/ stakeholder buy-ins / preparation of all competition documents)



## Procurement Plan ready for end of April 2022

Cabinet Office compliant works Package Procurement Plan (PPP) including overall strategy ready for governance and assurance. Your feedback will be listened to.



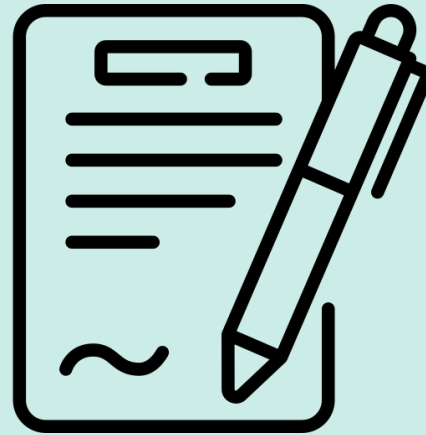
## October 2022 – May 2023

Competition phase  
Acceleration opportunities are being investigated

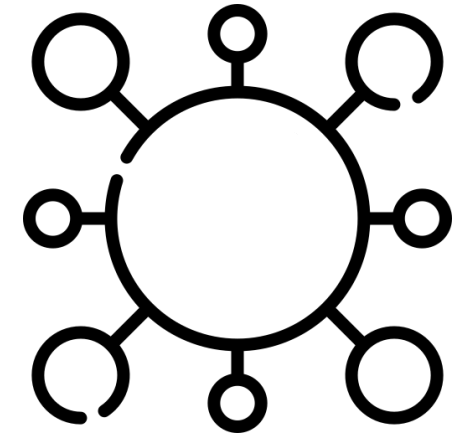
# Outcomes required for success by May 2023



**Award of the Generational 1 Framework Alliance as the route to build Cohort 3 hospitals**

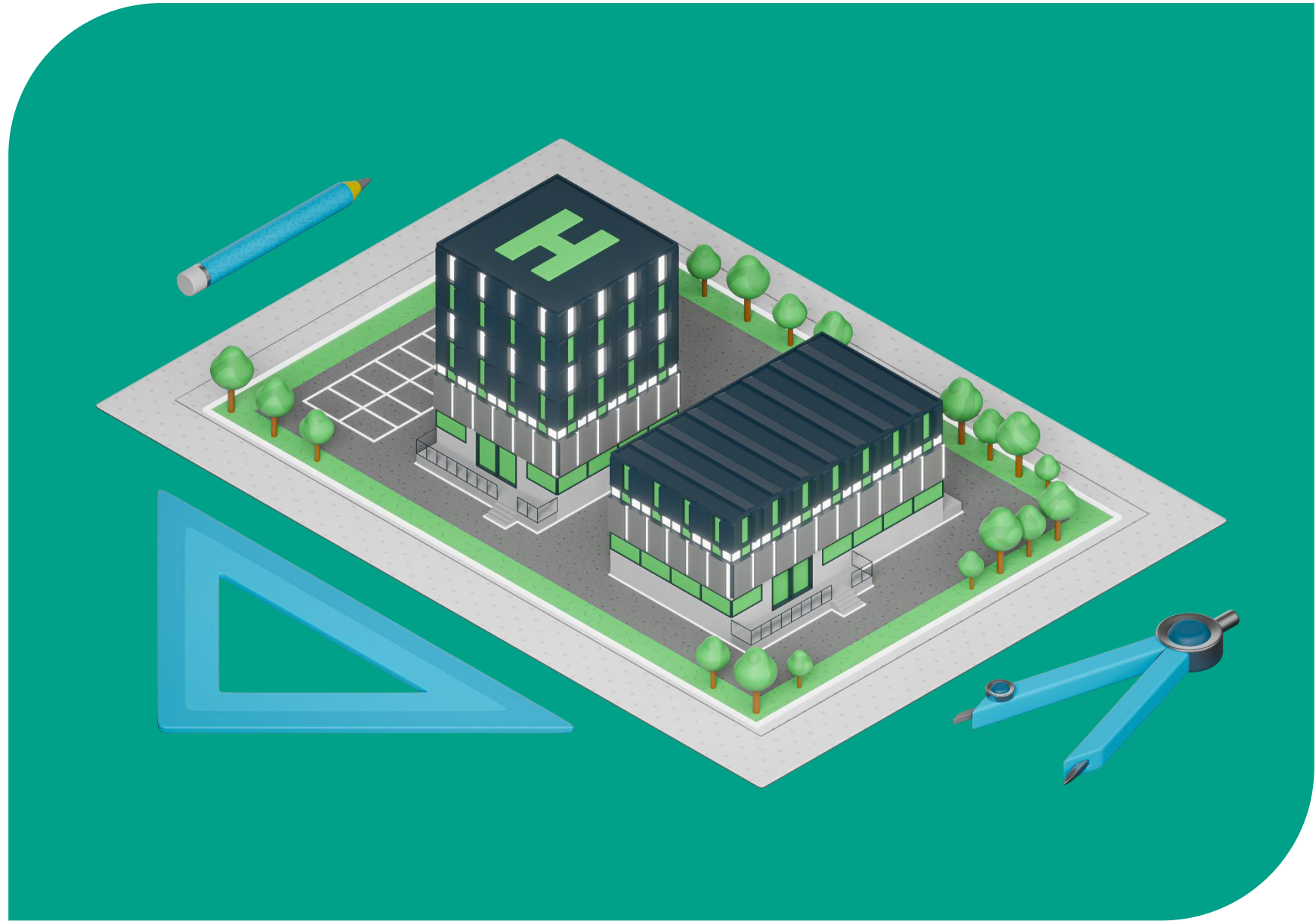


**First tranche of Cohort 3 hospitals awarded to Tier 1 contractors**



**An active Alliance established that works for Cohort 3 to generate savings, innovation and best practice as incubator for later Cohorts.**

**Thank you**





Department  
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Social Care

# **NHP Generation 1 Framework Alliance**

## **Market Engagement**

**Vanessa Bold**

**NHP Head of Supply Markets Management**

**April 2022**

# What to expect next from us

This is the first step in a long engagement journey



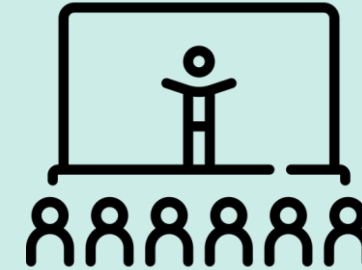
**Generation 1 Framework  
Alliance Indicative  
Appetite Gauge**  
Now



**Market Sounding  
briefing / questionnaire**  
Q2 2022



**Industry  
One-to-Ones**  
tbc



**NHP Generation 1  
Alliance Framework  
Flagship Event**  
September 2022



**Attending other  
events to explore other  
commercial questions**



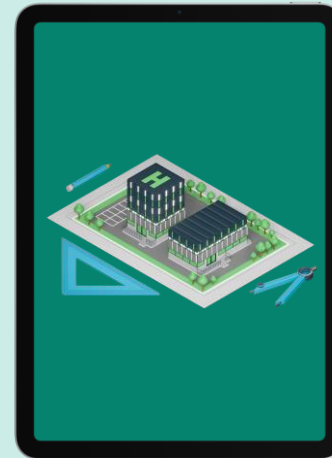
# How to engage with us right now



**Smart Survey**



**Commercial Pipeline**

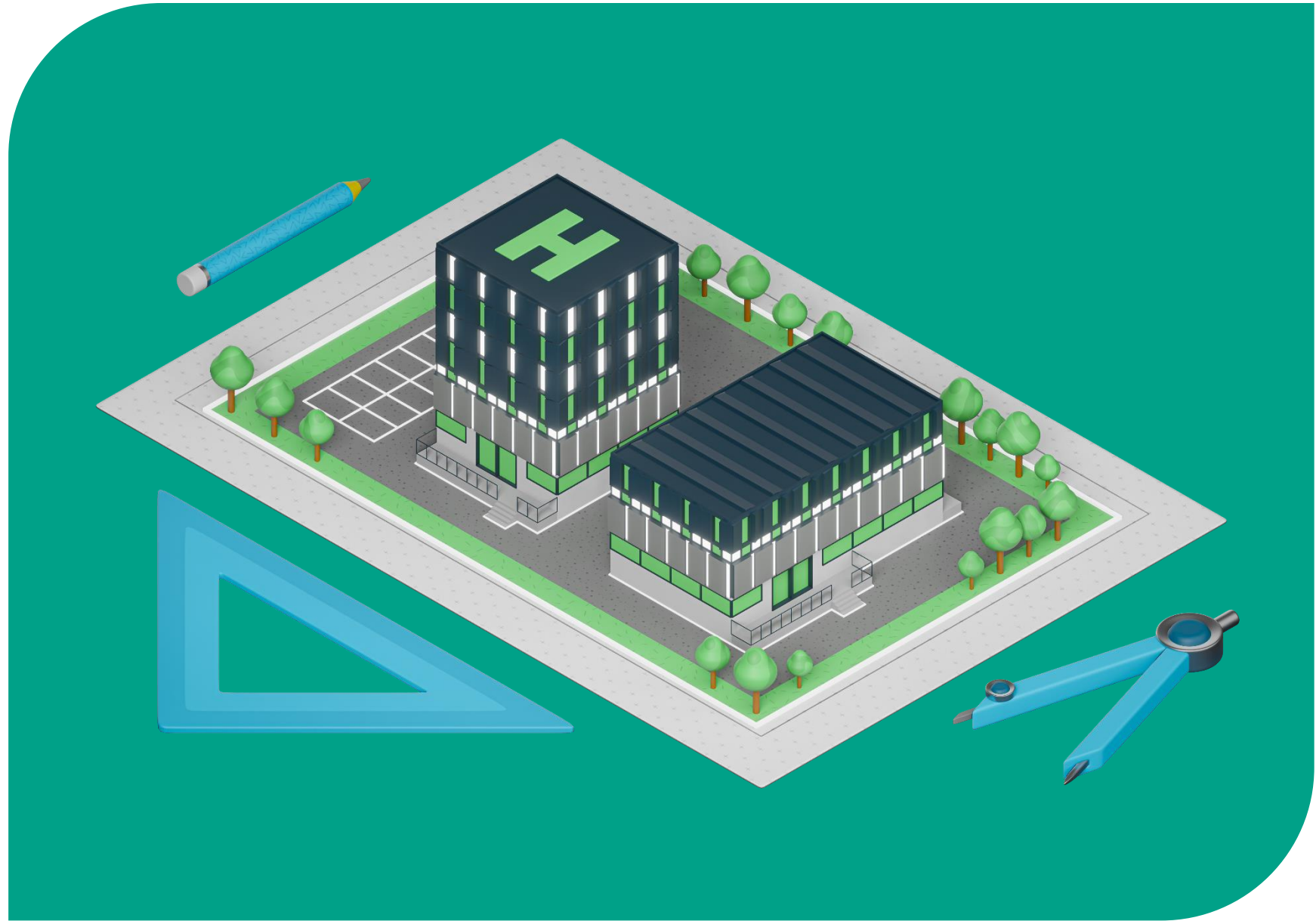


**Supplier Guide**



**Email Address**

# Questions





**Thank you**

