



Delivering the Future of Infrastructure

The State of the State 2026

The Need for NextGen Programme Delivery Capability



Introduction

Delivering the Future of Infrastructure: The Need for NextGen Programme Delivery Capability

The Deloitte State of the State 2026 report offers a first-hand view ‘from the people who rely on it and the people who run it.’

For those of us involved in UK infrastructure there are two themes from the report that ought to draw our attention:

- The lack of confidence the UK public have in the government’s ability to deliver major projects on time and on budget.
- The focus the UK public have improving jobs and boosting economic growth – with almost half of respondents flagging it as a top five priority for government.

Addressing these two findings requires focused effort from the breadth of the infrastructure value chain – from those that fund it, to those that deliver it.

With the launch of the Infrastructure Strategy in 2025, and the accompanying £725Bn investment pipeline from NISTA, the Labour government has made clear their intent to prioritise infrastructure – and in doing so boost economic growth and raise living standards.

But this can’t be a solo endeavor. As in previous years, the State of the State report highlights that delivery – especially delivery of major programmes – is the least trusted part of what government does. This sentiment is backed up by the fact that the most recent NISTA annual report (2024-5) categorised 85% of programmes on their books as RED or AMBER.

Our view is that whilst traditional delivery approaches remain necessary there is a fundamental need to think differently about the conditions for success and how we set up and deliver major programmes.



Government's 10 Yr infrastructure strategy is broad & ambitious, with that comes critical challenges to overcome

£725Bn committed investment over the next decade, in some sectors multiples more than the previous decade...

At least £725Bn committed across economic, housing and social infrastructure over the next decade – a notable step change in the level of investment

Examples include:

- Regional investment e.g. northern transport such as a further **£4bn** promised for TRU.
- **1.5 million** new homes within this parliament, inc. 12 new towns.
- **£50bn** for the expansion of Heathrow.
- **35** new hospitals.
- Confirmation of Sizewell C and launch of the new SMR programme.

...and major challenges to overcome to successfully deliver the desired outcomes

Funding & financing: Where's the money coming from given the country's finances, a fundamental shift in funding and delivery models is required
(See Deloitte's [Unlocking Private Investment in UK Infrastructure](#) paper for further details)

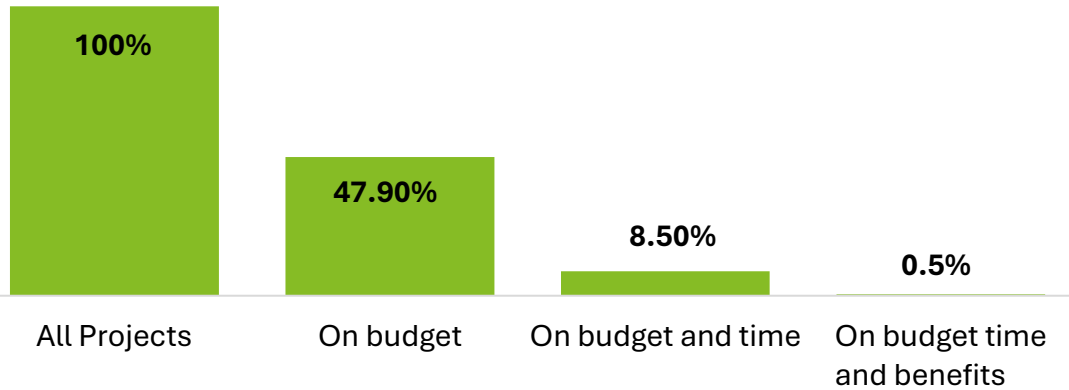
Regulation: We're one of the most expensive countries globally to deliver infrastructure e.g. nuclear power – how can we use the Fingleton Review for example as a mechanism to accelerate delivery, in particular, regulatory reform and early stage permitting.

Digital technology – How can technology advancements such as AI, enable and facilitate more seamless delivery.

Skills – Is the supply chain ready, where are the skills coming from in order to deliver this bow wave of investment.

To meet the complexity of delivering this infrastructure portfolio we need to recognise how difficult it is to deliver, and the environment we are delivering in

Objectively these major programmes & projects are difficult to deliver...



Extracted from Bent Flyvbjerg megaproject database which contains over 16,000 projects from around the world

Source: - "How Big Things Get Done, 2023 – Bent Flyvbjerg, Dan Gardner



All complex programmes must also contend with Bent Flyvbjerg's 'Iron Law of Project Management': **"Over budget, over time, under benefits, over and over again"**

...and our recent State of the State report highlights the importance of getting it right...

Out of nine key capabilities – the public trust in the UK government to deliver major projects on time and to budget is the lowest

Over a third (**35%**) of those polled for the report think improving the country's infrastructure should be the top priority in the UK in the coming years

Other priorities include improvements in:

- Cost of living (**74%**)
 - The NHS (**69%**)
 - Jobs and economic growth (**46%**)
 - Affordable housing (**40%**)
- All of which are underpinned by strong infrastructure delivery.



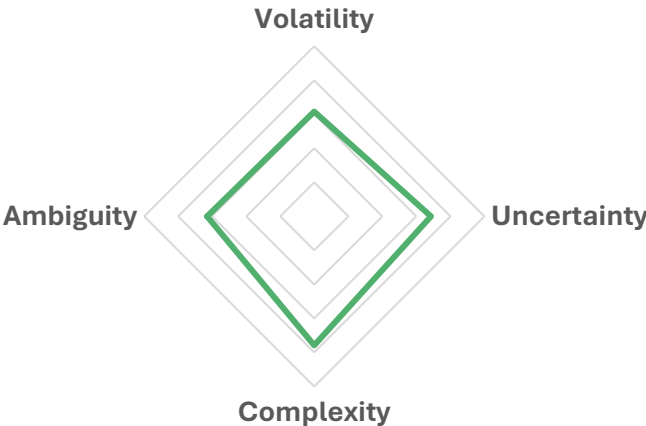
...therefore, we need to think **differently** about how we **deliver major programmes**

Understanding your Delivery Environment is a necessary starting point to identify what strategies over and above traditional programme management approaches are required

Understanding VUCA (Volatile, Uncertain, Complex, Ambiguous)

VUCA describes a measure of the **chaotic, unpredictable and rapidly changing nature** of delivery environments.

Long running, complex programmes are inherently more exposed, for example, government programmes managing Brexit and the COVID-19 pandemic required constant adaptation to respond to rapidly changing contexts.



Why VUCA matters in delivery

<p>Volatility</p>	<p>Frequent internal and external events can significantly impact delivery costs or timescales <i>e.g. changes or delays arising from public consultation</i></p>	<p>Volatility requires agility and strong management of resources and suppliers to create flexibility.</p>
<p>Uncertainty</p>	<p>“Known unknowns” can impact the ultimate success of the project <i>e.g. the availability of carbon capture and other essential enabling technologies</i></p>	<p>Uncertainty requires moving beyond existing information sources and adopting scenario development and simulation modelling tools.</p>
<p>Complexity</p>	<p>Interdependent competing priorities in the operating environment can lead to conflicting direction from senior leaders <i>e.g. balancing the Mission’s goals with adjacent programmes and other government priorities like energy resilience</i></p>	<p>Complexity requires development of an end-to-end system architecture, and should use systems thinking to understand the overall ecosystem.</p>
<p>Ambiguity</p>	<p>The nature or scale of impact can be interpreted in different ways or be unknown <i>e.g. a policy ambition to deliver a world-class service, could be interpreted in differing ways by different stakeholders</i></p>	<p>Ambiguity requires prototyping and experimentation to define a strategy, and enhanced stakeholder management.</p>

Programme Aerodynamics® provides a suite of NextGen delivery approaches that can be adopted alongside traditional tools to enable successful delivery in high VUCA environments

Our approach recognises that complex programmes need to have the fundamental delivery tools and capabilities in place in order to utilise NextGen approaches. For example, every programme must have baselined plans and a clear understanding of key dependencies, risks and cost. However, these alone are not sufficient to anticipate and manage the complexities of the major programmes set out in the government's 10 yr infrastructure plan.

Traditional Approach	NextGen Approach	NextGen Objectives & Outcomes	NextGen Tools & Activities
Plan <i>(A static delivery plan)</i>	▶ Anticipate	Focus on constantly optimising outcomes through adoption of Continuous Strategy tools to anticipate issues in advance.	<ul style="list-style-type: none"> • Horizon scanning & scenario planning • Simulation capability • Leverage historic data, e.g., adopting Reference Class Forecasting
Integrate <i>(The process of aligning divergent or siloed working)</i>	▶ Unify	Focus on tangible, practical, culture and leadership development and Human Systems Design to unify the delivery teams.	<ul style="list-style-type: none"> • Investment in culture and leadership development • Clear mission & success factors • Predictive organisation design
Manage <i>(Narrow focus on delivery of the static plan)</i>	▶ Innovate	Adoption of systems thinking to innovate and develop Flexible Programme Architectures e.g. operating models, commercial models etc. that can flex to suit inevitable external changes.	<ul style="list-style-type: none"> • Culture of innovation & leverage diversity of thought • Systems thinking structure & processes • Flexible strategies, e.g. operating and commercial models
Intervene <i>(Course correction after issues occur)</i>	▶ Evolve	Adoption of Digital Catalysts such as digital twins, simulation, and forward-looking MI, to enable greater insight and foresight to allow programmes to evolve and course correct early	<ul style="list-style-type: none"> • New technology to augment capability • Culture of knowledge sharing, e.g., F1-style 'Hot & Cold debriefs' • Critical & regular review of performance against KPIs

We have already deployed our NextGen approach and have the evidence to demonstrate its impact and success.

Civil Engineering Construction Programme

Deloitte was engaged to provide support across multiple areas of the programme, including **Organisation Transition**. The Organisation Transition workstream defined how the operating model would **evolve and transition** from delivery to operations.

This included designing the **operating model and organisation design** to **unify** teams in pursuit of the end state operations.

Public Sector Transport Programme

This programme was highly complex and volatile, and impacted by significant economic, political and supply chain disruption.

Deloitte supported the team in defining their **Enterprise Capability Model** and **Roadmap**, which set out the capabilities the organisation required, including when they were needed throughout the programme lifecycle. This helped **anticipate** evolutions and **inflection points** throughout the programme where capabilities would need to evolve to remain match fit for delivery.



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Public Health Programme

Deloitte worked with public health organisations and other public and private sector bodies to continually **build, scale and pivot** the large-scale diagnostic testing capability.

The requirements of the programme were highly **complex**, subject to significant **volatility** and **constantly evolving**. Deloitte succeeded because we recognised the need to **embrace and respond to change, continuously innovating** and re-planning whilst also repeatedly pulling in expertise from across the breadth of the firm.

Defence Programme

The programme faced intense pressure to deliver next generation defence assets and capabilities. **Programme delays**, particularly a 10-month slippage, threatened this critical objective.

Deloitte supported the programme by implementing a **flexible structure** of System Integrated Groups and Integrated Project Teams. This **fostered cross-party collaboration** and allowed for targeted risk mitigation and opportunity capture, helping the programme to regain schedule control.



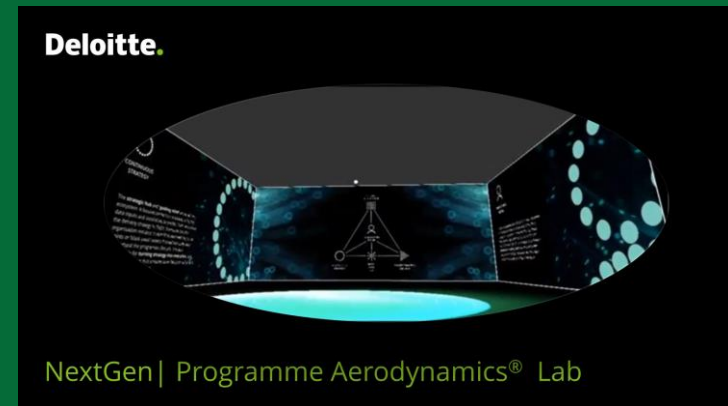
Deloitte VUCA Assessment Survey and NextGen Transformation Lab

VUCA Assessment Survey



Our VUCA Assessment Survey enables programmes to understand their challenges through the lens of VUCA, and identifies a tailored set solutions and conditions for success that will be key to thriving in their delivery environment.

NextGen Transformation Lab



Our NextGen Transformation Lab, a structured accelerator informed by our experience on similar large-scale, complex engagements, fosters a forward-looking mindset and drives pragmatic conversations, equipping clients to successfully navigate VUCA environments and achieve transformative outcomes.

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