

Plans for new hospital provision in Leeds

Date: 16 October 2024

Report of: Interim Chief Executive, Leeds City Council

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Leeds General Infirmary is a critically important facility for the people of Leeds and the wider region but is in serious need of updating with respect to buildings and equipment. Leeds is united in support of the importance of modernised hospital provision. Leeds Teaching Hospitals NHS Trust has been delayed in the delivery of its much-needed new hospital plans for more than four years resulting in an estimated £300m of delay related costs, finite resources being wasted on operationally sustaining an ageing estate, and increased risk to the continued delivery of specialist clinical services serving Leeds and the wider West Yorkshire region. The impact on Leeds residents is also significant. Citizen health will benefit from a transition to new state of the art buildings and equipment and enable better integration with the wider health and care system.

The Trust's estimated £1.45bn health investment plans are also a catalyst for regeneration for the city and beyond and support the delivery of the Leeds Health and Wellbeing Strategy, Inclusive Growth Strategy and Best City Ambition. The Government and Department of Health & Social Care supported new hospital development plans for Leeds will also unlock land and estate to create the Leeds Innovation Village, delivering more than 4,000 new jobs, 1000 new homes, and £13bn of economic benefit as a go-to destination for research, healthtech and digital innovation being the centre piece for the West Yorkshire Investment Zone.

This report reconfirms support for new hospitals from all partners in Leeds and calls upon the Government to approve and accelerate this much needed health and economic investment for the City and wider region.

Recommendations

- a) The Executive Board is asked to note the strategic importance to Leeds of replacing existing hospital facilities on the Leeds General Infirmary site with new state of the art buildings and equipment and the progress made so far by LTHT and partners of the Leeds Innovation Partnership including the Council, University of Leeds and Leeds Beckett University.

- b) The Executive Board is asked to note that the new hospital programme will deliver a boost to the health of children and adults, act to regenerate the existing and surrounding site and promote innovation and research across Leeds.
- c) The Executive Board is asked to support this call to Government to approve and subsequently accelerate the new hospital programme in Leeds, serving as critical regional health infrastructure.
- d) The Executive Board requests that, given the Treasury review of the new hospitals programme, officers make a submission to the Treasury clearly stating the importance of modernised hospital provision in Leeds. The Leader and Executive Member for Equality and Health and Wellbeing have sought cross-party support for a letter in support of the Council's submission.

What is this report about?

- 1 This report refers to the Government and Department of Health & Social Care (DHSC) approved benefits and urgency for accelerating the new hospital investment plans at Leeds Teaching Hospitals NHS Trust, one of the largest and busiest acute Trusts in the country.
- 2 The ambition to transform healthcare services and in addition establish a leading health and med-tech innovation village in the heart of Leeds City Centre have stalled for more than four years and continue to remain paused whilst the Trust and its strategic partners await national approvals to proceed with its Hospitals of the Future Project, a catalyst for much wider City and regional economic plans. Whilst initially being announced as a prioritised investment project by the then Government and Prime Minister in 2019 and the Trust initially securing approval of its business case in 2020 enabling it to proceed subsequent delays have led to costs now exceeding £300m. Finite resources are being wasted on operationally sustaining an ageing estate with increased risk to the continued delivery of specialist clinical services serving Leeds and the West Yorkshire region.
- 3 Leeds and the wider region have one of fastest growing financial, health-tech and digital economies in the UK, that is second only to London for financial and professional services and has twice as many advanced-manufacturing companies than the national average. The Trust and wider City plans to deliver the new hospitals and innovation village in Leeds at the centre of a growing innovation arc city-wide and regionally are critical to boosting economic growth based on these sectoral strengths. The Trust's new hospital plans are central to realising this ambition and supporting delivery of the Leeds Best City Ambition and the West Yorkshire Investment Zone.
- 4 The Trust has made significant progress to deliver its Hospitals of the Future Project since 2019 and has one of the most advanced and developed schemes within the Government's New Hospitals Programme (NHP) and remains ready to progress to the next stage having secured key approvals back in June 2020 and confirmation that its scheme will be fully funded.
- 5 As one of the most advanced, developed and ready to go hospital schemes within the national new hospitals programme, the Trust remains ready to progress to the next stage. To date, the Trust has:
 - secured Outline Planning Consent in June 2020;
 - the full support of the West Yorkshire Integrated Care System (ICS), the West Yorkshire Association of Acute Trusts (WYAAT), Leeds City Council Executive Board, and has the full support of all operational Directorates in the Council;
 - secured, in July 2020, formal approval to the outcome of statutory public consultation;
 - developed a robust and detailed technical design solution and in doing so, demonstrated a strong level of detail and alignment with the emerging national design principles;
 - been highly commended for its hospital design solution at the 2023 European Healthcare Design Awards in the Best Future Healthcare Design category;
 - prepared the main construction site securing a regional award for the way in which it managed the complex demolition works;
 - gained Investment Zone Status as a critical part of the West Yorkshire Digital Health Investment Zone and
 - undertaken formal engagement with the market regarding digital technologies and build solutions.
- 6 Due to its advanced state it provides an opportunity to reinvest technical, commercial and technological learning back to grow the national programme and support the replacement of those hospitals constructed of Reinforced Autoclaved Aerated Concrete (RAAC) which remain a priority, yet are further behind the advanced delivery state of Leeds.

- 7 Leeds is united behind the need for modernised hospital infrastructure. This report reconfirms that support from all city partners and calls upon the Government to approve and accelerate this much needed health and economic investment for the City and wider region.

What impact will this proposal have?

- 8 The Trust's Hospitals of the Future Project is a once-in-a-generation opportunity to design and build a new hospital on the site of Leeds General Infirmary (LGI) which will include a fit for purpose new home for Leeds Children's Hospital, a new adults' hospital and one of the largest centralised maternity centres in the UK. The plans reflect strategies that will deliver much needed investment to patient services, reduce clinical risk, create operational efficiencies and provide increased capacity, and ultimately support long-term financial stability. The Trust's plans will transform healthcare services delivering against national strategies as well as regional ICS and local priorities defined in the Healthy Leeds Plan. The Trust's plans include focus upon an investment in specialist children's services, maternity services, and increased theatre, critical care and diagnostic capacity. The ambitious plans set out by the Trust and already previously approved at government level will deliver significant benefits for patients across West Yorkshire, modernising care pathways, improving clinical adjacencies, and ensuring appropriate high-quality care facilities to meet demand for tertiary services while supporting the shift from hospital to community and sickness to prevention through care redesign and the application of technology. The key role of LTHT in clinical and academic leadership in the region and nationally will also be enhanced by the opportunities presented by new facilities.
- 9 Leeds Teaching Hospitals NHS Trust has one of the oldest estates in the NHS. Some of its buildings date back more than 150 years and despite ongoing investment to repair and maintain the facilities, the Trust is faced with ageing services infrastructure, leaking roofs, damp, and crumbling walls and ceilings which are inadequate for patient care. The deteriorating estate has required the Trust to relocate clinical services from these poor estate areas to other parts of the hospital, however the estate's age and condition has significantly increased the Trust's backlog maintenance costs which are increasing each year. The cost to rectify backlog maintenance and maintain services at the LGI site (location for the new hospitals) is estimated to be more than £630m, which includes replacing critical infrastructure and the removal of vacant buildings. However, to increase specialist capacity, enable operational and long-term sustainable efficiencies, sustain clinical services such as maternity, and provide much-needed improvements for patients and staff, a new modern hospital is needed. The health investment plans not only focus on a new estate that will support greater clinical productivity ensuring the best use of an NHS workforce, for example, centralising maternity and neonatal services onto one site, but an estate that delivers healthcare facilities reflective of the 21st Century and that deliver against the net zero carbon agenda and are digital by design, supporting modern working practices through better use of technologies in the move from analogue to digital.
- 10 The new hospitals are an embedded and fundamental part to the city's vision for innovation, inclusive growth and regeneration priorities and will help drive local and regional growth. Innovation is at the heart of the Leeds economy, powering the city's fastest growing businesses and underpinning the work of the city's universities, LTHT and public sector partners. Our inclusive economic ambitions rely on accelerating and deepening this culture of innovation, creating the foundations for productivity and wage growth, and supporting the city's innovation vision: ***To stimulate innovation which drives and delivers measurable impact towards a healthier, greener, and inclusive future for Leeds and the world.*** This vision sees Leeds as a global contributor to the solutions to major societal challenges and embeds the role of innovation as critical to unlocking own inclusive growth ambitions.

- 11 The new hospitals are also key to the city's ongoing attempts to tackle inequality and promote access to provision from all sections of the community. As part of this approach, the Trust is committed to delivering upon its Equality, Diversity, and Inclusion Priorities. The Trust has developed an Equality, Diversity and Inclusion Strategy for the Hospitals of the Future Project relating to the centralisation of clinical services and the development of two new hospitals at the Leeds General Infirmary (LGI) site. The Trust will continue to review, develop and update its Equality, Diversity and Inclusion Strategy as the project progresses alongside the continued review and development of a robust Equality Impact Assessment (EIA) at key stages that will include the review and development of an Equality Action Plan. This work will continue to explore and assess whether and the extent to which the design and development of the new healthcare facilities delivered by the Hospitals of the Future Project may disproportionately benefit and/or impact those with protected characteristics. Any future reports to the Council will take into account the EDI undertaken by the Trust and whether this needs to be shaped by any decision making documents in discharge of the Council's own public sector Equality Duty.
- 12 In October 2022 Leeds City Council adopted a new Supplementary Planning Document (SPD) focused on the Leeds Innovation Arc, a 130-hectare area in the west of the city centre encompassing the majority of the estates of the Leeds General Infirmary, Leeds Beckett University's city campus, the University of Leeds estate, as well as the main concentration of employment in the professional services and digital sector. This sets a vision for this area to be recognised as nationally important and internationally recognised economic and knowledge engine. This can be achieved through the delivery of new public realm, home and workspaces on brownfield land. As key priorities within these visions, the new hospitals provide the anchor for health and digital led innovation within the Arc; the site sits at the junction between the city's education, civic and commercial centres, and presents a rare opportunity within the heart of a UK major city centre to deliver an innovation hub of scale.
- 13 The hospital development will unlock c12 acres of land and estate for regeneration. The proposals at this location for the *Leeds Innovation Village* are estimated to provide more than 4,000 new jobs, between 500-1000 new homes, and £13bn of economic benefit as a go-to destination for research, healthtech and digital innovation. This is a regeneration opportunity of national significance, developed on sustainable brownfield land and is a key component of the Leeds Transformational Regeneration Programme previously considered by Executive Board.
- 14 Despite the four years of delays, the Trust has not stood still in delivering this ambition as plans are already underway to vacate the Old Medical School to support the Preferred Developer agreement that has been signed with the Scarborough Group International that will see the building refurbished into a new hub for healthtech innovation. Further delays to approving the Trust's plans will place this investment at risk. In addition, funding has been secured through the West Yorkshire Investment Zone to develop a planning statement for the site which will further articulate the regeneration options across the released land. Should the hospitals be approved, work can move forward at pace to secure the regeneration at this strategic location.
- 15 In summary, the Trust's proposals will:
- support it to meet the demand for key specialist services locally, regionally and beyond;
 - centralise services, supporting sustainable clinical services & resource efficiency;
 - support local and regional health priorities including the '*Out of Hospital*' agenda, reduction in the length of stay, focus on Children's and Maternity Services, and urgent care;
 - support delivery of the Leeds Health and Wellbeing Strategy, Inclusive Growth strategy and Best City Ambition

- deliver a modern, comfortable, efficient and well-planned hospital environment reflective of 21st Century healthcare;
- release 150,000m² of poor-quality estate
- remove over £630m+ of cost to rectify backlog maintenance issues at the LGI site;
- deliver Value for Money in accordance with HM Treasury calculations delivering a benefit to cost ratio of 12.09 meaning that for every £1 spent, the plans will deliver more than £12 of benefit; and
- support delivery of the Innovation Village which will deliver over 1 million sqft of development and an independently calculated gross value added (GVA) benefit of up to £13bn & 4,000 jobs as well as between 500-1000 new homes.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

16 The Trust's new hospital proposals, the Innovation Village and the wider Innovation Arc drive forwards regional and economic growth through the health and wellbeing agenda and also deliver a material contribution to the NHS and wider City net zero carbon agenda.

What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted? Yes No

17 The Trust has undertaken significant stakeholder engagement and consultation on all aspects of its proposals since 2018 including securing approval to the outcome of statutory public consultation surrounding the centralisation of maternity and neonatal services.

What are the resource implications?

18 The Trust, with input from its strategic partners and stakeholders, has set out robust plans that have been reviewed by the Government's New Hospitals Programme and indicated as robust, value for money, and having addressed many of the Government and NHP aspirations and plans. Four years of national delays mean that to successfully deliver the required investment in healthcare and the new hospitals and ultimately deliver the planned economic benefit, investment of £1.45bn is required. This investment remains comparable to all schemes within the Government's New Hospitals Programme, yet the Leeds scheme delivers much wider and increased economic benefit.

What are the key risks and how are they being managed?

- 19 The key risks of not approving the Leeds Hospitals scheme to proceed as already approved, include:
- Costs continuing to increase above the £300m estimated delay costs already incurred.
 - Significant investment being required to continue to operationally maintain the existing ageing estate.
 - A risk to regional clinical service delivery due to the condition of the existing estate.
 - An increasing risk to the Trust's ability to maintain specialist clinical service delivery particularly in Maternity and Neonatal Services.
 - A failure to meet the growing demand for specialist services.
 - A failure to meet national and local sustainability and net zero targets.
 - Further delays to the delivery of the Trust and City-wide ambition to establish the Innovation Village and deliver a much needed economic boost to the local and regional economy.

What are the legal implications?

20 There are no legal implications arising from the recommendations in this report.

Options, timescales and measuring success

What other options were considered?

21 Leeds Teaching Hospitals NHS Trust has developed a full and comprehensive Outline Business Case as submitted to the Department of Health & Social Care and Government that was approved in June 2020. This business case was further refreshed in 2022 but now continues to remain on hold despite the Trust's proposals having been assessed as robust, value for money and meeting clinical need. The Trust's business cases and further engagement work with the national New Hospitals Programme have considered many alternative options and proposals, none of which deliver against approved clinical strategies, are value for money, or more cost effective over time.

How will success be measured?

22 The key measures of success will include:

- Delivery of the new hospitals through a series of intermediate milestones
- Improved access to clinical services
- New clinical pathways and long-term sustainable clinical services
- Increased capacity to support specialist services and reduce length of stay
- Removal of backlog maintenance costs
- Delivery of a reduction in carbon consumption
- Delivery of the Innovation Village, with the first milestone being the delivery of the Old Medical School with the Trust's investment partner, Scarborough Group International
- Delivery of the forecast economic benefits
- Reduction in risk associated with the A58(M) tunnel

What is the timetable and who will be responsible for implementation?

23 The Trust has prepared an indicative delivery plan for the delivery of the new hospitals, but this remains subject to securing the necessary approval permitting the Trust to proceed. Following a government approval to proceed, the indicative programme is expected to be further refined as the New Hospital Programme clarify the route map forwards and delivery processes and through engagement with a construction partner. Initial key milestones include:

- Government approval for the Leeds Scheme to proceed – 31 October 2024
- Trust Re-submit Updated Outline Business Case – Q1 2025
- Trust Submit Reserved Matters Planning Application – Q2 2025

Future milestones will be developed and agreed with the New Hospitals Programme with the target of a transition to the new hospitals in 2030-31 (subject to the route forwards).

Appendices

24 None

Background Papers

25 None