

Delays to plans for new hospital provision in Leeds

Date: 12 February 2025

Report of: 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 (LGI) is a critically important facility for the people of Leeds and the wider region. It is welcome that funding has now been confirmed for the rebuilding programme starting in the early 2030s. The later start will slow down the current rebuilding programme and many aspects of development have been paused whilst the team consider the rephrasing of delivery and the ability to reprofile the wider development plan.

The Trust's health investment plans are a catalyst for regeneration for the city and beyond. Partners have re-confirmed their full support for the Innovation Village that includes the LGI site. This is the centrepiece of the West Yorkshire Investment Zone and will create jobs, homes and realise £13bn of economic benefit. These plans will remain a local, regional and national priority, with some aspects necessarily being re-imagined to fit the new timeframe.

This report reconfirms support for the new hospitals from all partners in Leeds, calls upon the Government to look again at the timeline for this much needed investment, considering its potential to have a positive impact on local and regional economic growth as well as patient outcomes; and asks for further discussion about how funding might be brought forward ahead of the planned start date (for example in the event of underspends to Wave 1 hospitals).

It also notes the importance of the Council working together with LTHT to consider ways to accelerate the creation of the Innovation Village ahead of the LGI build getting underway. It describes how partners, including Leeds University and Leeds Beckett University, will work at pace with West Yorkshire Combined Authority, anchor institutions and other potential investors, noting the importance of aligning key developments in Leeds including mass transit and neighbourhood health.

Recommendations

- a) The Executive Board is asked to further note the strategic importance to Leeds and the health and care system of the need to replace existing hospital facilities on the Leeds General Infirmary site with new state of the art buildings and equipment.
- b) The Executive Board is asked to support negotiation with Government to consider earlier funding and bring forward planning and construction on the LGI site and requests that the Council make a further submission to Government clearly stating the importance of modernised hospital provision in Leeds.
- c) The Executive Board is asked to note the continued support for LTHT and the new hospital programme by the partners of the Leeds Innovation Partnership including the Council, University of Leeds and Leeds Beckett University.
- d) The Executive Board is asked to support conversations in Leeds and across the region with cross-sectoral partners including the West Yorkshire Combined Authority to accelerate the development of the Innovation Village before the LGI build commences, and examine ways to otherwise mitigate the impact of the later start date for the project.

What is this report about?

- 1 This report provides a further update to Executive Board about the development of new hospital facilities in Leeds at the Leeds General Infirmary (LGI) site. It follows the Executive Board report of [October 2024](#) that outlined the clinical and estates challenges of operating from existing buildings and the urgency of proceeding at pace with the Outline Business Case drafted by Leeds Teaching Hospitals Trust (the Trust). Executive Board confirmed cross-party support for the LGI development and a cross-party letter and submission to HM Treasury was drafted in November 2024. These outlined the strength of the clinical and economic benefits of the scheme whilst also noting the centrality of the plans to the delivery of the Best City Ambition, development of Innovation Arc, the promotion of growth across Leeds and the wider region and ability of partners to improve health and care outcomes and tackle inequality. It was noted that all public, private and third sector partners in Leeds fully supported the development of the new hospital premises in Leeds.
- 2 The initial decision to prioritise LGI for investment as part of the New Hospitals Programme was made by Government before the 2019 election. This was followed up by support from the Department of Health and Social Care for the Outline Business Case submitted by LTHT in 2020. During the period between 2019 and 2023 a series of Ministerial visits to LTHT confirmed ongoing support for the LGI. These visits included two from Prime Minister Boris Johnson (August 2019 and October 2021), one from Chancellor Rishi Sunak (March 2020), one from Secretary of State for Health Matt Hancock (September 2019) and one from Secretary of State for Health Stephen Barclay (August 2022).
- 3 During this period the Department of Health and Social Care did not confirm any budget or start date for the LGI rebuild. Subsequent to the July 2024 election Wes Streeting, the Secretary of State for Health, confirmed that a review of the New Hospitals Programme would take place.
- 4 On 20 January 2025, the Trust received a letter from the Minister of State for Health (the Rt Hon Karin Smyth) stating that the Leeds Hospitals of the Future Project had been allocated to Wave 2 of the New Hospital Programme (NHP) meaning that it should expect to commence on-site construction between 2033 and 2035. It is notable that Wave 1 projects consist mostly of hospitals impacted by reinforced concrete construction (RAAC). The letter stated that the Trust would need to “pause” development of its scheme until 2030/31 when it would receive the necessary Programme funding and support to enable progress to develop an Outline Business Case (OBC). The letter confirmed acknowledgement that the Trust’s existing planning consent for its scheme will expire in June 2025 and that the NHP will require redesign of the Trust’s scheme to be compliant with Hospital 2.0 (new acute sector design principles) which will require a new planning application.
- 5 It is recognised that the delay will lead to additional overall cost of the project and this has been recognised in the Government’s new scheme ‘envelope’.
- 6 The primary risk to the Trust relates to the delay to the planned investment, the loss of the Building the Leeds Way Programme Team and the investment that will be necessary to support clinical strategy delivery, sustain clinical services and address backlog maintenance in the interim until rebuilding is complete. The ageing estate and in particular listed and heritage buildings will continue to place a strain on budgets, and this will escalate as buildings continue to deteriorate.
- 7 There are also some strategic implications for health and care across Leeds as well as for the economy via delays to a number of related developments that are reliant on modernised hospital infrastructure. New and better-connected buildings enable removal of outdated technologies and systems that hamper partnership working and support faster referral, better and more targeted diagnostics and integrated information sharing. Likewise, the push for economic growth outlined by Government and delivery of key national missions for health and economy will be slowed by a pause to one of the most significant new schemes in Leeds and the wider region.

- 8 Partnership working is central to the approach to health and care in Leeds. Plans for the new hospital are also intended to strengthen links with partners working across services for both children and adults. Modernised wards, empowered staff and the latest equipment all enable closer partnerships and support co-located, integrated and multi-disciplinary teams.
- 9 LTHT has worked hard to build patient and public voice into internal systems. This has influenced stronger partnerships with community services and the third sector and shaped plans to centralise maternity and neonatal care. Feedback has included a desire for closer working with GPs and other professionals, limits to repeat assessment and more person-centred approaches to communication. All these are easier to deliver in a modern setting equipped with space for families, carers and partners, but continue to be hampered in the current estate.
- 10 The LGI site is central to creating the Health Innovation Village (described in 13-18 below) through redevelopment of the underutilised estate. The site already includes the Health Innovation pop-up and the planned redevelopment of the Old Medical School.
- 11 Leeds continues to be united behind the need for modernised hospital infrastructure. This report reconfirms that support from all city partners and calls upon the Government to enter negotiations with LTHT and its partners with a view to reviewing the timeline announced in January 2025.

What impact will this proposal have?

- 12 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, improve clinical practice, create operational efficiencies and provide increased capacity to support specialist adult and children's tertiary services, and ultimately support long-term financial stability.
- 13 The Trust's plans will transform healthcare services delivering against national strategies including the draft priorities outlined in the impending 10 Year Health Plan (due to be released in Spring 2025). The ambitious plans set out by the Trust align closely with the ambitions for the future of health and wellbeing described by the new Government. They will assist Leeds and the wider region to address the challenges described in the Independent Investigation of the National Health Service in England (Lord Darzi, 2024). The scheme will deliver significant benefits for patients across West Yorkshire, modernising care pathways, improving clinical adjacencies, and ensuring there is appropriate capacity and high-quality care facilities meeting the demand for tertiary services. At the same time, the plans support the shift from hospital to community, sickness to prevention and analogue to digital 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.
- 14 The Leeds innovation vision is *to stimulate innovation which drives and delivers measurable impact towards a healthier, greener, and inclusive future for Leeds and the world*. This vision outlines Leeds' ambition to be a global contributor to the solutions to major societal challenges and embeds the role of innovation as critical to unlocking our inclusive growth ambitions. The 130-hectare Innovation Arc encompasses 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 finance and professional services and digital and tech sectors. It also contains a wealth of cultural venues and spaces, including Leeds City Museum,

Art Gallery, the Henry Moore Institute, the central Library and the Town Hall. As set out in the Executive Board paper of October 24:

- Leeds City Council has adopted the Supplementary Planning Document (SPD) focused on the 130 ha Leeds Innovation Arc.
- The hospital development will unlock c12 acres (5 ha) of land and estate for regeneration. The proposals at this location for the *Leeds Innovation Village* are estimated to deliver more than 4,000 new jobs, between 500-1,000 new homes, and £13bn of economic benefit as a go-to destination for research, healthtech and digital innovation.
- LTHT entered a legal agreement with Scarborough Group International for the redevelopment of the Old Medical School as a Health Tech Innovation Hub.
- The hospital development will unlock c12 acres of land and estate for regeneration through the Health Innovation Village, a key neighbourhood of the Innovation Arc. The proposals at this location for the *Leeds Innovation Village* are estimated to alone provide more than 4,000 new jobs, between 500-1,000 new homes, and £13bn of economic benefit as a go-to destination for research, healthtech and digital innovation.

Since October's Executive Board report, there has been further progress in the Innovation Arc:

- Government has confirmed £80 million funding for the West Yorkshire Health Innovation and Digital Tech Investment Zone (WYIZ), with devolved funding to the Combined Authority, with another £80m for years 5-10 announced.
- This includes a capital and revenue funding allocation to bring forward the refurbishment of the Old Medical School (OMS) as a new hub for healthtech innovation. Scarborough Group International has now formally agreed to acquire the property, and collaboration between LCC, WYCA and LTHT is helping to drive this proposition forward.
- Leeds Beckett University has submitted outline planning consent for a new School of Built Environment, Engineering and Computing within the Arc on Woodhouse Lane – a major investment proposition which will support the city's talent pipeline.
- LCC and LTHT are developing a dedicated Planning Brief for the LGI Site to set as planning guidance a clear vision for the future regeneration of the site.
- LCC is further developing, supported with £20.9m funding from the Combined Authority via the City Regional Sustainable Transport Settlement, major infrastructure investment to redesign Woodhouse Lane through the Woodhouse Lane Gateway, with works due to start in the next 12 months. LCC is also remodelling Great George Street – the front door to the Old Medical School and Leeds General Infirmary – with improved access for sustainable travel modes and pedestrians – with works due to start in the Summer.
- Continued collaboration is underway with the private sector to accelerate and unlock plans for new innovation space, land inward investment opportunities and to build deeper links with clinical and academic research and development.

15 LTHT, LCC, WYCA, University of Leeds and Leeds Beckett have re-affirmed their commitment to the Innovation Arc, and support for the Innovation Village. This commitment strengthens Leeds' journey to become one of the UK's most stable, forward-thinking and attractive locations for health and care research and innovation, with strong collaborative leadership, and a buoyant private sector of 2,525 medtech businesses adding £1.2bn to the economy annually. Leeds contributes 18% of all UK medtech patents, and has a workforce of 60,000 in health tech, representing nearly 14% of all Leeds jobs.

16 It is important to emphasise that the Innovation Village and Arc projects are a regeneration opportunity of national significance. The revised timescales for the delivery of the new hospitals will not impact on the momentum of the many initiatives outlined above. However, as with other major city centre destinations of this scale and opportunity, there is an opportunity for public partners to collaborate to consider how to 'de-risk' the impact of delays to the Innovation Village and build on the momentum above. For example, the Council and Partners will explore if there

may be opportunities through additional powers granted by devolution, aligning with major infrastructure particularly Mass Transit, and other development (e.g. with the Universities); use of the Investment Zone funding and exploring the fit with the Industrial Strategy; and through the Leeds Transformational Regeneration programme.

17 Whilst some later phases of the Innovation Village cannot be released until the new hospital is built, through collaboration, it is considered that the time before hospital construction begins can be spent productively to optimise the regeneration opportunities and benefits to the city.

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

Health and Wellbeing Inclusive Growth Zero Carbon

18 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

19 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?

20 The Trust, with input from its strategic partners and stakeholders, has set out robust plans that have previously been reviewed by the Government's New Hospitals Programme (NHP) and indicated as robust and value for money with £1.46bn required at today's estimate, on the original build timeframe. This will be reviewed given the longer timeframes now in place. Whilst this investment delivers much wider and increased economic benefit it has been made clear by Government that budgets were not allocated to the NHP by the previous Government. This has delayed commencement of construction until 2033-2035 potentially resulting in any new healthcare facilities not being operational before 2040 and more than £800m of additional cost (excluding any material interim investment to maintain operation of current clinical/estate services in the interim) since the initial Outline Business Case (OBC) was developed and approved by the Government. It is worth noting that the existing OBC delivers 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 would deliver more than £12 of benefit.

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

21 The key risks of further delays to the Leeds Hospitals scheme include:

- Costs are continuing to increase above the £300m of delay and additional costs already incurred
- Significant interim investment being required to operationally maintain the existing ageing estate including a large Grade I listed building
- Significant investment being required to mitigate service risks associated with the new timeline for building resulting in delays in moving services.
- A risk to regional clinical services due to the condition of the existing estate.

- An increasing risk to the Trust's ability to maintain tertiary clinical service delivery particularly in Maternity and Neonatal Services.
- A failure to meet the growing demand for tertiary 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.
- LTHT governance will continue to manage clinical and financial risk, Leeds City Council will support the Trust to manage wider potential economic and system-based impacts.

What are the legal implications?

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

Options, timescales and measuring success

What other options were considered?

23 Leeds Teaching Hospitals NHS Trust 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. 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. The delay announced in January 2025 will mean further consideration of alternative options will need to be considered, and these will be influenced by ongoing conversations with DHSC, NHSE and regional and local partners including West Yorkshire Combined Authority.

How will success be measured?

24 The key measures of success will include:

- Improved clinical and wider health outcomes for Leeds residents
- Improved access to clinical services and reduced waiting times
- 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
- Delivery of the forecast economic benefits

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

25 The Trust had prepared an indicative delivery plan for the delivery of the new hospital but this has been paused due to the outlined delay in funding. Under these plans work to prepare a new Outline Business Case will need to commence after 2030. This will include key milestones but as it currently stands the new hospital building might not be operational until 2040.

Appendices

26 Equality Diversity Cohesion and Integration Screening Form

Background Papers

27 None