

## Building the Leeds Way Programme

### Public Board

Thursday 30 January 2025

<b>Presented for:</b>	<b>Information</b>
<b>Presented by:</b>	Professor Phil Wood (Chief Executive)
<b>Author:</b>	Jenny Ehrhardt (Director of Finance) Mike Bacon (Programme Director)
<b>Previous Committees:</b>	N/A

<b>Our Annual Commitments for 2023/24 are:</b>	
Effectively develop and deploy new assets (buildings, equipment, IT)	✓
Reduce healthcare associated infections	✓
Improve staff retention	✓
Deliver the financial plan	✓
Reduce average length of stay by 0.5 days per patient	N/A
Achieve the Access Targets for Patients	N/A
Support a culture of research	✓

<b>Risk Appetite Framework</b>				
<b>Level 1 Risk</b>	<b>(✓)</b>	<b>Level 2 Risks</b>	<b>(Risk Appetite Scale)</b>	<b>Impact</b>
Workforce Risk	✓	Workforce Supply Risk - We will deliver safe and effective patient care through having adequate systems and processes in place to ensure the Trust has access to appropriate levels of workforce supply.	Cautious	Moving Towards
	✓	Workforce Deployment Risk - We will deliver safe and effective patient care through the deployment of resources with the right mix of skills and capacity to do what is required.	Cautious	Moving Towards
Operational Risk	✓	Physical Assets Risk - We will optimise patient and workforce experience through the effective management of our buildings and estates.	Cautious	Moving Towards
Clinical Risk	✓	Capacity Planning Risk - We will ensure that capacity is planned to meet the demand for elective and non-elective (acute) admissions to our hospitals, managing this risk to provide safe treatment and care to our patients.	Cautious	Moving Towards

Risk Appetite Framework				
Level 1 Risk	(✓)	Level 2 Risks	(Risk Appetite Scale)	Impact
	✓	Patient Safety & Outcomes Risk - We will provide high quality services to patients and manage risks that could limit the ability to achieve safe and effective care for our patients.	Minimal	Moving Towards
Financial Risk	✓	Financial Management & WRP - We will deliver sound financial management and reporting for the Trust, aiming to at least break even, with no material variances to forecast.	Cautious	Moving Towards
	✓	Change Risk - We will deliver change aligned to the Trust's strategy on time and to budget with benefits achieved and no significant adverse impacts, focussing on the delivery of large-scale capital developments and waste reduction programmes.	Cautious	Moving Towards
	✓	Supply Chain Risk - We will manage suppliers in a manner that protects the Trust's interests and service to our patients.	Cautious	Moving Towards
External Risk	✓	Partnership Working Risk - We will maintain well-established stakeholder partnerships which will mitigate the threats to the achievement of the organisation's strategic goals.	Open	Moving Towards
	✓	Strategic Planning Risk - We will deliver Our Vision "to be the best for specialist and integrated care" though the delivery of a set of Strategic Goals and operating in line with Our Values.	Cautious	Moving Towards

Key points	
<ol style="list-style-type: none"> <li><b>Members of the Trust Board are requested to note this BtLW Programme Summary Progress Report in connection with the delivery of the Hospitals of the Future Project.</b></li> <li>This report of the Chief Executive provides an update surrounding the delivery of the Hospitals of the Future Project and delivery of the Innovation Village.</li> </ol>	Information

## 1.0 Summary

- 1.1 This report of the Chief Executive provides an update surrounding the delivery of the Trust's Hospitals of the Future Project, the Innovation Village and the next steps for the Trust.

## 2.0 Background

- 2.1 As the Board is aware, the Leeds Teaching Hospitals NHS Trusts' Hospitals of the Future Project has been one of the most advanced schemes in the New Hospitals Programme (NHP). Over many years, the scheme has received positive reviews by NHP on our plans, including on the governance and delivery capability of the Programme Team. The Trust's first Outline Business Case (OBC) was submitted in 2019, and the scheme was announced as a prioritised government-funded scheme in June 2020. Further iterations of the OBC were submitted in 2020 and 2022.
- 2.2 Since 2019, the Trust has welcomed many Ministers and Secretaries of State to review its proposals receiving strong support on each and every occasion including following visits by the now Secretary of State for Health and the now Chancellor of the Exchequer (Leeds MP) in June 2022 and again subsequently the Chancellor of the Exchequer in June 2024.

## 3.0 Summary of Project Progress

### 3.1 *Secretary of State Announcement*

- 3.1.1 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 meaning that it should expect to commence on-site construction between 2033 and 2035. 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 a H2.0 compliant scheme and 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 which will require a new planning application.
- 3.1.2 The Trust is extremely disappointed by this outcome and the information used to determine the decision has not yet been shared with the Trust. Informal conversations with the NHP senior team have indicated that the key constraint is the total funding envelope for NHP, alongside the RAAC hospitals being prioritised. Comments more specifically relating to our scheme included the complexity and deliverability of the scheme, and the lack of compliance with the Hospital 2.0 (H2.0) design principles. The Board is aware that H2.0 is not yet a fully-developed design handbook, the first early elements of which were published in May 2024. Whilst the Trust has undertaken work to apply H2.0 to the existing design, and these have been shared with NHP, the lack of specialist design within H2.0 has hampered this. Further, the application of H2.0 increased the cost of the build, with little feedback received from the NHP team.
- 3.1.3 Based upon information currently available to the Trust, the allocation of the Leeds Scheme to Wave 2 is not based on the delay delivering value. Indeed if the Leeds new hospital project was not to start on site until 2035 as potentially indicated by the NHP, the totality of delays by the Government and NHP would mean that the Trust would not open its new hospital until c.20 years after first being announced as a prioritised scheme. Preliminary estimates following the announcement of 20 January 2025 indicate that the delays could result in an estimated additional £800m cost since the Trust first being announced in 2019.

The scheme “envelope” is now set at £1.5bn-£2bn within the announcement, which shows some recognition of the inflationary and design cost increases, although clearly a significantly changed design will need to be fully costed to understand whether this envelope is realistic.

## **3.2 Next Steps**

- 3.2.1 Given the significant scale of delay, the Trust will review all aspects of the scheme, and the risks now held by the Trust for a longer period given the delay. As is well-known, the Trust carries one of the highest backlog maintenance levels in the NHS, resulting in risks in relation to maintaining the estates for delivery of high quality services. Further, there are service risks which were being managed whilst awaiting the expected earlier start date which are now being reviewed urgently. In particular, the centralisation of maternity and neonates will need to occur before the opening of the new hospital, and capital funding to support this will need to be provided to the Trust.
- 3.2.2 The Trust has a number of immediate actions to take, to reduce the financial risk to the Trust given the decision. These are being worked through to ensure that the right decisions are taken and are communicated effectively with the affected teams.
- 3.2.3 The Trust will also consider its strategy for continuing to advance the delivery of the Innovation Village, working closely with partners to continue to capitalise on the hugely successful *Innovation PopUp* and the refurbishment of the Old Medical School (OMS) by Scarborough Group International.
- 3.2.4 Discussions are continuing with NHP as to the support to the Trust on all of these areas. In particular the Trust has been asked to outline the activities that are underway and should be completed, alongside the key activities that give us a pathway to the new date.

## **4.0 Key Delivery Risks & Issues**

- 4.1 The primary risk to the Trust relates to the now material delay to the planned investment, the loss of the BtLW Programme Team and the investment that will undoubtedly be necessary to support clinical strategy delivery, sustain clinical services and address backlog maintenance in the interim until potentially 2040. A more detailed assessment of the risks and consideration of Trust strategy is now required.

## **5.0 Financial Implications**

- 5.1 The full financial implication of the Government and NHP decision remain to be fully assessed alongside any further plans surrounding the necessity to address operational, service delivery and estate pressures.

## **6.0 Communications & Involvement**

- 6.1 An interim communications strategy continues to be implemented to manage the Trust’s extreme disappointment in the Government and NHP decision. A full Communications and Stakeholder Engagement Plan will be developed.

**7.0 Equality Analysis**

7.1 A review of the impact of the decision upon equality is required.

**8.0 Publication Under the Freedom of Information Act**

8.1 This paper has been made available under the Freedom of Information Act 2000.

**9.0 Recommendations**

9.1 Members of the Trust Board are requested to note this report of the Chief Executive.

**10.0 Supporting Information**

10.1 There are no supporting documents included with this report.