

**Infrastructure Committee Chair's Report**  
**Public Board**  
**27 November 2025**

<b>Presented for:</b>	Information and Assurance
<b>Presented by:</b>	Mike Baker, Chair, Infrastructure Committee
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<b>Committee meeting:</b>	9 October 2025

<b>Our Annual Commitments for 2025/26 are:</b>	
Recognise and act upon moments that matter to our patients	✓
Support our patients to get home a day sooner	
Be in the top 25% for patient experience and efficiency in outpatients	
Support each other to act with kindness and compassion	
Reduce our carbon footprint by creating greener patient pathways	
Support our staff to manage every £ wisely	
Make best use of our estate, equipment and digital assets	

<b>Trust Risks (Type &amp; Category)</b>				
<b>Level 1 Risk</b>		<b>Level 2 Risks</b>	<b>(Risk Appetite Scale)</b>	<b>Risk</b>
Workforce Risk				
Operational Risk	X	<b>Physical Assets Risk</b> – We will optimise patient and workforce experience through the effective management of our buildings and estates	Cautious	↔ (same)
Clinical Risk				
Financial Risk	X	<b>Change Risk</b> - We will deliver change aligned to the Trust's strategy on time and to budget with benefits achieve and no significant adverse impacts,	Cautious	↔ (same)

		focussing on the delivery of large-scale capital programmes		
External Risk	X	<b>Legal &amp; Governance</b> We will operate the Trust in compliance with the law and UK Corporate Governance Code, where applicable	Averse	↔ (same)

<b>Key points</b>	
This summary provides an overview of significant issues of interest to the Board, highlights key risks discussed, key decisions taken, and key actions agreed.	For information and assurance

## ISSUES OF INTEREST TO THE BOARD FROM 9 OCTOBER 2025 COMMITTEE MEETING

The Committee noted that risk management activities highlighted in March and September 2025 had led to the removal of the risk of ‘failure to deliver the hospitals of the future’ project from the Corporate Risk Register. The risk of ‘failure to deliver the LGI Site Development Project’ remained under review from the Risk Management Committee, with monitoring and transfer activities from the Old Medical School (OMS) expected to reduce this risk.

The Committee also received assurance on the 2025/26 capital programme, noting minor slippage in key projects including the WYAAT Aseptics Unit, Building the Leeds Way (BtLW), and anticipated capital funding for Maternity and Neonates covering the next three years. Key risks had been included into the Corporate Risk Register on CQC breaches in Maternity and Neonatal Services, insufficient capital allocation, power and IT resilience issues, cyber threats, and building condition concerns in Brotherton Wing.

The Committee was updated on the ongoing estate improvements in Maternity and Neonatal services, and lessons learned from the Leeds Generating Station Complex (GSC) Replacement post-project evaluation, which highlighted issues around governance, contracts, and delivery. The Trust’s carbon reduction initiatives achieved a 36% decrease since 2013, with net zero targets for 2040 and 2045, although funding constraints were noted. Regulatory oversight included HSE ventilation findings at the Centre for Laboratory Medicine (CfLM), with mitigation measures and lessons learned actions underway.

### Capital

- **2025/26 Capital Plan**

The Committee received assurance on delivery of the 2025/26 capital programme. The total forecast at month six was £88.3 million, with fluctuations expected over the year. To date, £18 million had been invested. DIT and Medical Surgical Equipment were ahead of profile, while Building and Engineering was slightly behind but manageable. Spend on BtLW had reduced following the reclassification of some costs

to revenue. The Risk Reserve had been deployed to support the Pathology transfer and feasibility works, with a 5% overplanning allowance in place and leased asset slippage under review. The WYAAT Aseptics Unit was expected to slip by £8 million due to regulatory requirements, and a £4 million Estates Safety Funding rephasing request had been submitted.

Informal confirmation had been received for £3 million Maternity and Neonates funding in the year, with a further £9 million expected. Bids had been submitted for £8 million Community Diagnostic Centre funding in 2025/26, £12 million in 2026/27, and £8.1 million from a separate diagnostics fund. Key risks included maternity regulation, capital allocation, power resilience, cyber-attack, and estate condition. Underspends could be reallocated, and timely delivery of digital spend remained critical to achieving the year-end position.

The Committee explored and gained assurances regarding funding brokerage associated with BtLW, underspend flexibility, and DIT expenditure. It was confirmed that £3 million of Trust spend would be spread over three years to manage funding movement, that underspends could be reallocated to other priority schemes such as estate safety funding, and that timely mobilisation would be critical to delivering digital spend at pace.

- **B&E Capital Projects - Major Procurement Exercise**

The Committee received an update on the proposed Building and Engineering Capital Programme procurement from April 2026. The annual gross target was £12 million, with a total expected procurement value of £60 million net of VAT over three to four years, and a ceiling of £70 million. The preferred approach was to appoint a Principal Supply Chain Partner from the P23 framework (Lot 2), with soft market engagement planned for November 2025.

It was confirmed that there would be no financial exposure if the £60 million target was not met, with alternative options available. The procurement approach was designed to support timely approvals, flexibility, and mitigation of financial and delivery risks, with focus maintained on business-as-usual (BAU) activity.

Planning guidance and contractor capacity were noted as key dependencies, with options to adjust contract sums and packaging if required. The framework includes protections, and legal advice would be sought if required. Mobilisation was scheduled for March 2026, at which point escalation to the Finance and Performance Committee and the Board would take place.

- **GSC Post Project Evaluation (Summary of Findings)**

The Committee received information from the post-project evaluation of the GSC Replanting Project, delivered jointly with the University of Leeds at 66% and 33% allocated to the Trust. The project was completed in December 2024, more than six years later than planned, with delays attributed to design management issues, contractor capability gaps, weak contractual levers for late completion, and commercial disputes.

Lessons learned were identified across governance, contract structure, procurement, delivery, health and safety, design, operations, and the need for stronger commercial expertise. It was noted that if managed through BAU processes, many of these issues

would have been addressed. Financial impacts have been reflected on the balance sheet, and legal matters remained under review.

The Committee acknowledged the lessons, which had been shared with the Executive Management Team to inform future major capital schemes.

## **Risk**

- **Maternity Estate Update**

The Committee received assurance on the ongoing improvements to the Trust's Maternity and Neonatal services. Significant estate concerns were raised during the CQC inspections. It was noted the BtLW project had aimed to centralise Maternity and Neonatal services but was delayed within the NHP. The Committee were assured of the immediate actions to improve the estates and working environment while centralisation plans continue to be explored.

The scheme was divided into immediate and future projects. A review identified 110 backlog maintenance works (80 Maternity, 30 Neonates), with 27 already delivered. Immediate works were scheduled for completion by October 2025 and future projects by December 2025. A dedicated Project Team had been established to monitor delivery of performance.

The Trust secured £3 million in-year funding, with an additional £12 million over three years in Public Dividend Capital to support improvements. Estates walkarounds would be undertaken to monitor progress in response to CQC concerns of the estate.

The Committee noted the importance of short-term actions to create operational headroom ahead of strategic decisions, with an Estates Strategy update planned for January 2026. It was also agreed to strengthen consistent internal communications to support staff morale in these Units.

## **Estates Strategy Update**

- **CAH Business Case – Assurance role of the Committee moving forward**

The Committee received the Chapel Allerton Hospital (CAH) Business Case updated summary for information and decision, noting associated limitations and the project management and benefits tracking arrangements in place. The business case had been approved by the Board on 25 September 2025 and was being submitted to NHS England.

The capital cost was £32 million, with revenue reduced from £12.7 million to £11.9 million. A Project Team was established within existing governance, supported by external specialist advisors, with clear benefits management processes in place covering identification, prioritisation, realisation, and monitoring. These had been integrated with project governance, risk, and assurance frameworks.

The Committee discussed performance and utilisation, noting strong CAH theatre activity and positive patient outcomes. Governance oversight would be split, with this Committee focusing on the build and the Finance and Performance Committee overseeing benefits realisation and utilisation.

It was agreed that the next update would be presented by February 2026, or earlier if required, and Committee approved the project management and benefits tracking arrangements.

- **Future Developments Sub-Group**

The Committee received an update on the establishment of the Future Developments Sub-group under the Estates Strategy Programme Board (ESPB). The Sub-group had been formed, with its first meeting held on 17 September 2025 to agree scope and Terms of Reference. The sub-group would report monthly to the ESPB and to the Committee as required, focusing on development opportunities outside the core Building and Engineering capital programme.

Innovation Village opportunities would be discussed at ESPB, with decisions remaining at Committee level. A paper on meanwhile uses had been planned to be presented to the Committee by December 2025 as valuable support by the sub-group to the overall governance of the Committee. The Sub-group would also support the exploration of future development options, including potential impacts of tunnel and mass transit schemes, and to strengthen long-term estates planning.

- **LTHT Estates Decarbonisation**

The Committee received assurance on the Trust's carbon reduction progress and methodology for quantifying its carbon footprint. Since the 2013 baseline, the Trust had reduced emissions by 32,837 tonnes of carbon dioxide (approximately 36%). Net zero targets remain sighted by 2040 for directly controlled emissions and 2045 for broader influence. Initiatives also support patient care, system efficiency, health inequalities, and resilience.

Natural gas remains the largest contributor, accounting for 69% of total emissions (41,003 tonnes), with on-site combined heat and power units increasing gas use but providing financial benefits. Reducing gas may involve alternative generation or power purchase agreements, though further financial analysis was required. Funding constraints are expected to reduce the 2025/26 operational capital programme from £45 million to approximately £30 million.

The Energy and Decarbonisation Scheme, Hospital of the Future, and GSC decarbonisation projects, alongside Public Sector Decarbonisation Scheme Phase 4 funding (2025 – 2027) for low-carbon building and heat improvements, support the net zero trajectory with plans in place to connect more of the SJUH estate (Bexley Wing & the Education Training and Development Centre) to the low-carbon heat network. Work would continue to be undertaken in partnership with the University of Leeds on gas usage, and statutory obligations under the Health and Safety Act 2022, Climate Change Act 2008, and Environment Act 2021 would ensure governance, assurance, and alignment with national policy milestones.

The Committee noted the report, recognising the link between decarbonisation, estates strategy, and financial considerations, and acknowledged the robustness of data collection and associated risk management.

## **Development of the LGI Site**

- **Update Report**

The Committee received a verbal update following discussions held on 6 October 2025 regarding the Hospital build. It was noted that while the PFI funding route could have led to completion by 2032, alternative funding options were being explored. The Trust was one of four identified for future discussions.

The Committee noted anticipated changes to the NHP Leadership Team, and that national work was being prepared for presentation to HM Treasury by spring. Locally, engagement with the pension fund was underway and would be explored further.

### **Innovation Village Delivery Update**

- **Update Report**

The Committee received a verbal update on the West Yorkshire Innovation Village and related developments. Phase One included refurbishment of the Old Medical School (OMS) into a tech hub, funded with £22 million from the Investment Zone and £18 million additional government funding, with Leeds City Council receiving £1 million for masterplan development. These projects aim to drive economic growth and create jobs in the health and technology sectors.

Phase Two involved demolition of poor-quality buildings in Martin Wing to establish laboratory-focused facilities. Discussions on Mass Transit are ongoing, including potential connections to hospitals.

The Committee emphasised the need to manage BAU priorities alongside Innovation Village plans, maintain flexibility in route and build options, and secure funding for the Trust estate. City policy support exists for the project, and funding opportunities were being explored from the West Yorkshire Combined Authority (WYCA). A future update would be scheduled in collaboration with the Project Team.

- **Communications on LTHT Involvement with Masterplan**

The Committee received an update on communications activity supporting the Innovation Village. A high-profile media campaign in February 2025 had announced the acceleration of the project, highlighting its role in creating a science, research, technology, and innovation destination within the Leeds Innovation Arc, supporting health tech, 4,000 jobs, and £13 billion in economic benefits.

Phase One had been initiated, with the OMS transformed into a health tech innovation hub by Scarborough Group International. Stakeholder engagement maintained visibility with policy, regional, and industry partners, including events at UK Real Estate Investment and Infrastructure Forum (UKREIIF), which showcased progress and future plans. The launch of the Research and Innovation strategy in July 2025 further strengthened the Trust's commitment to research, generating media coverage promoting medical advancements and patient benefit.

Communications had been coordinated alongside BAU activity, ensuring clear internal and external messaging. Future milestones were identified, including WYCA grant funding, MOUs, UKREIIF 2026, and Masterplan development. The Committee acknowledged the Communications Team's work recognising the associated pressures in recent times.

### **Standing Agenda Items**

On issues to escalate to NHS England, CQC or to the Board, the Committee noted the recent visit by Health and Safety Executive (HSE) regulators to the Centre for Laboratory Medicine, which identified issues with the ventilation systems. A formal letter from HSE was expected. A gap analysis and coordinated response were to be undertaken, and recommendations had been discussed at the Ventilation Safety

Group, with external advice sought to address the concerns. The Committee agreed that a post-project evaluation of the programme was required. An update, including the formal HSE letter, was to be provided at the next Committee meeting.

On issues to escalate to other committees, the Committee agreed to escalate the utilisation of the CAH theatres to the Finance and Performance Committee.

The Committee was informed that the Director of Estates and Facilities, along with members of the Estates and Facilities Team, were members of the City's Strategic Estates Board. This membership was recognised as providing valuable support to the Committee in strengthening its oversight and strategic governance responsibilities.

The Committee continued to maintain oversight of key capital, estates, innovation, decarbonisation, and service delivery projects, ensuring risk management, governance, and strategic alignment across the Trust. The information received within the meeting reported the Trust remained within its defined risk appetite.

**Mike Baker, Chair, Infrastructure Committee**  
**16 October 2025**