

St Mary's Hospital redevelopment: making hospitals affordable

Matthew Tulley: 8th September 2025

International healthcare buildings forum: 8-9 September Copenhagen

Agenda

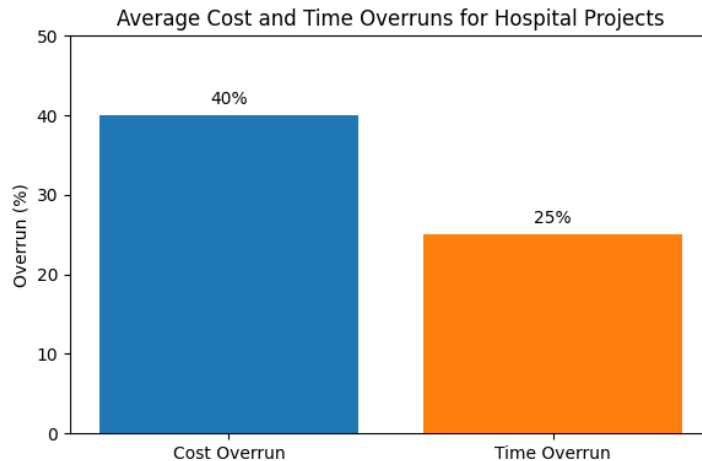
- Challenges in healthcare infrastructure
 - Past performance
 - Change
 - Hospitals as mega-projects
- Design thinking
- St Mary's Hospital and Paddington Life Sciences
- Funding and procurement models

Some projects.....



Challenges in Healthcare Infrastructure

- Past history shows healthcare projects are over budget and late. Pattern shown globally.



- Bent Flyvberg's work identifies optimism bias and strategic misrepresentation as key culprits.
- Data from Australia and UK show similar patterns
- UK NAO sites poor planning, inadequate risk management and fragmented governance

The Iron Law of Project Management:

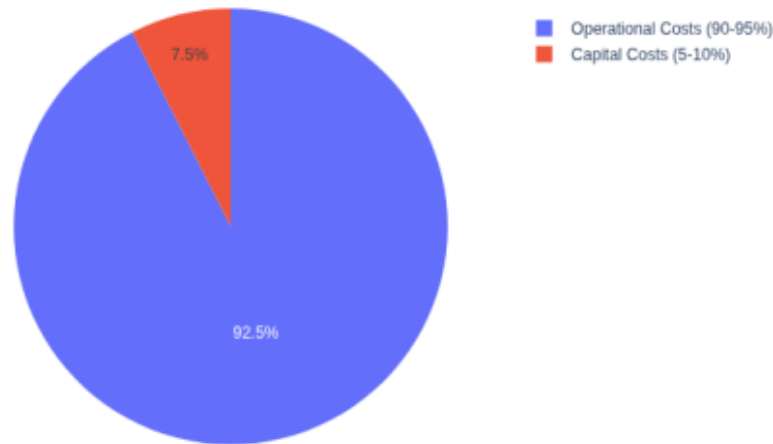
“Over budget, over time, under benefits, over and over again.” How Big Things Get Done, Flyvbjerg and Gardner 2023

Healthcare challenges

- Hospital buildings ARE complex: regulatory requirements, stakeholder diversity, technological integration
- MEP around 50% of capex budget
- They are often “mega-projects” over £bn and 100,000m² +
- Change – technology and clinical practice is changing rapidly – how do we accommodate this?
- Workforce
- Complexity increases for large teaching and research hospitals
 - Some of the most complex infrastructure in public sector
 - Integration of clinical, research and educational facilities
- Benefits: difficult to capture some of the benefits, can be intangible, therefore the business case and VFM can be a challenge

Capex small proportion of total costs

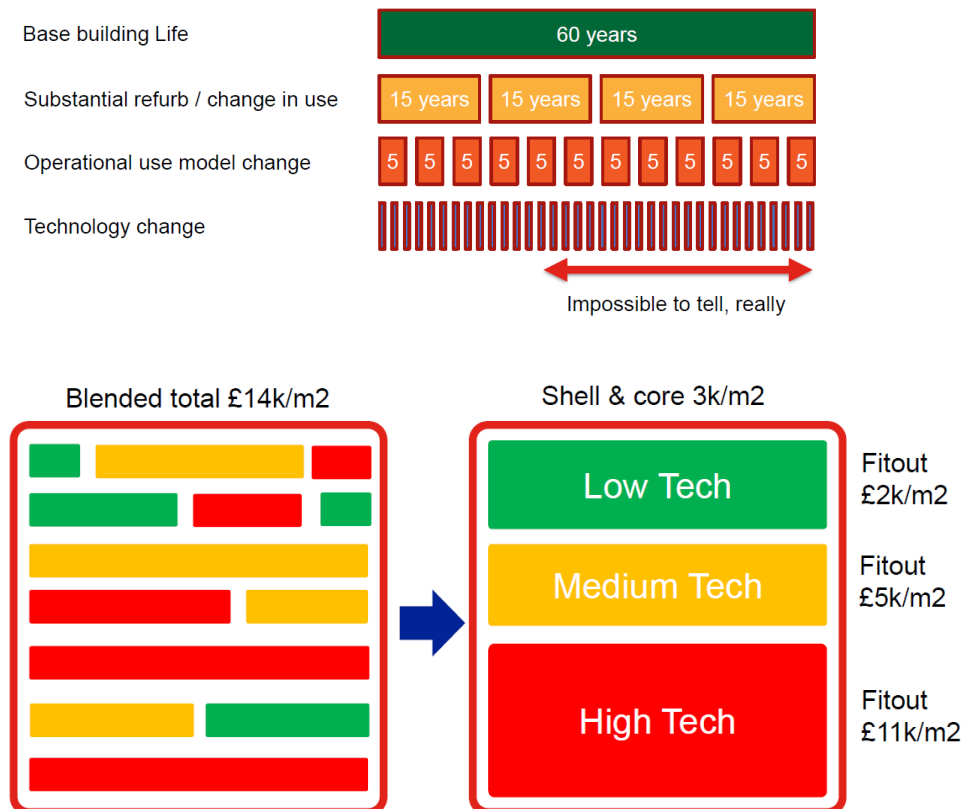
Hospital Lifecycle Cost Distribution Over 60 Years



- Typical lifecycle cost distribution over 60 years
- Capex costs highly visible and immediate
- Design for operational efficiency
- Avoid “lock-in” where early decisions constrain future adaptability

Future adaptability

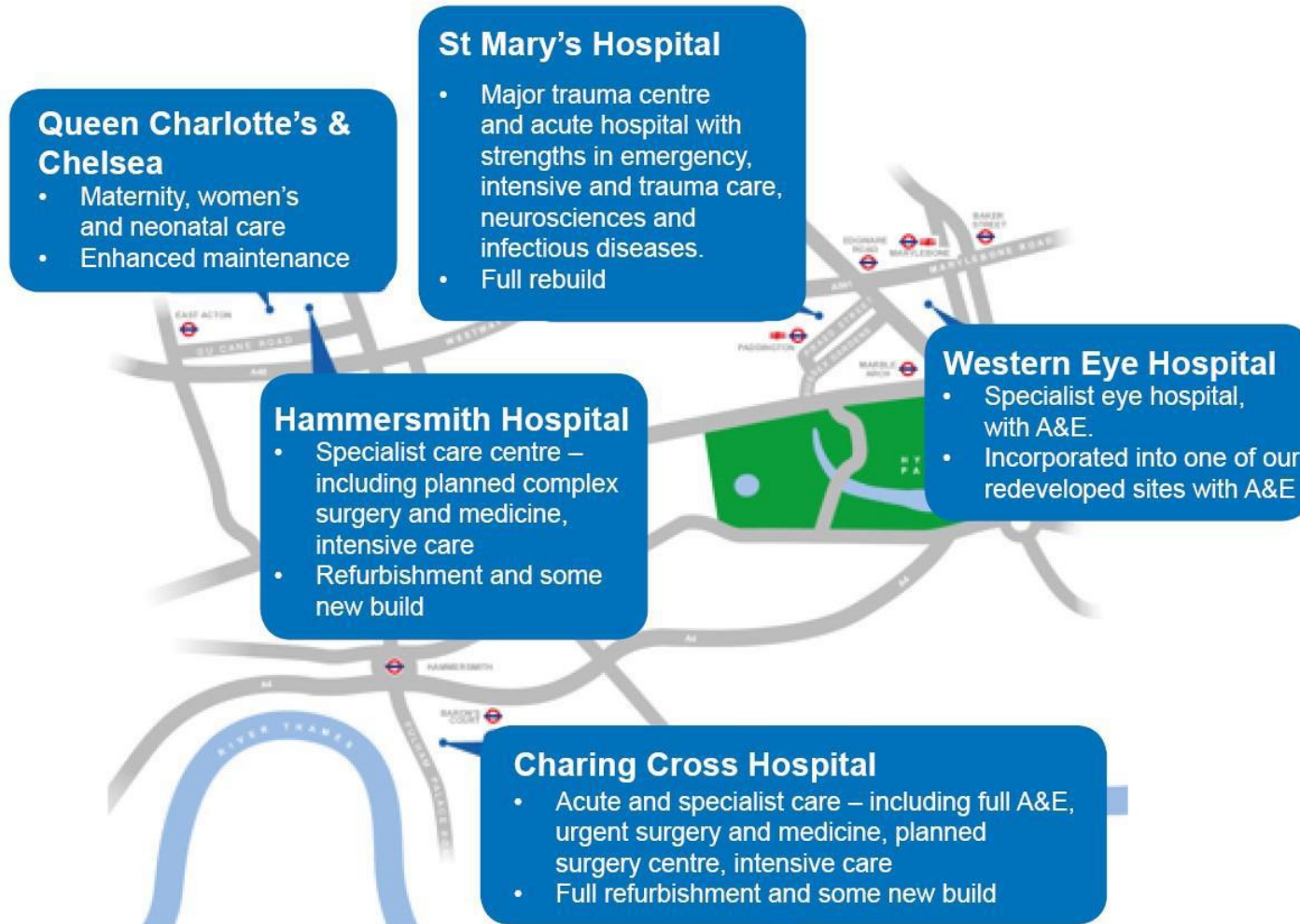
- Design shell and core for future adaptability
- Separate S&C and internal planning
- Think about buildings differently. Adaptable estate. (Peter Ward, Redevelopment Director, Kings College)



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Our bold vision for the future and synergy between distinctive hospitals



The Trust in numbers



1,374,000

Patient contacts
(including inpatients,
outpatients and day cases)



298,000

Emergency attendees
(including A&E and
same day emergency care)



9,500

Babies born



96%

Positive overall rating of
care for inpatients



16,000

Staff



£0.03m surplus

Out-turn
(deficit of £16.2m before
adjusted for impairments etc)



£1.7bn

Turnover



£53.4m

Efficiencies



£98.3m

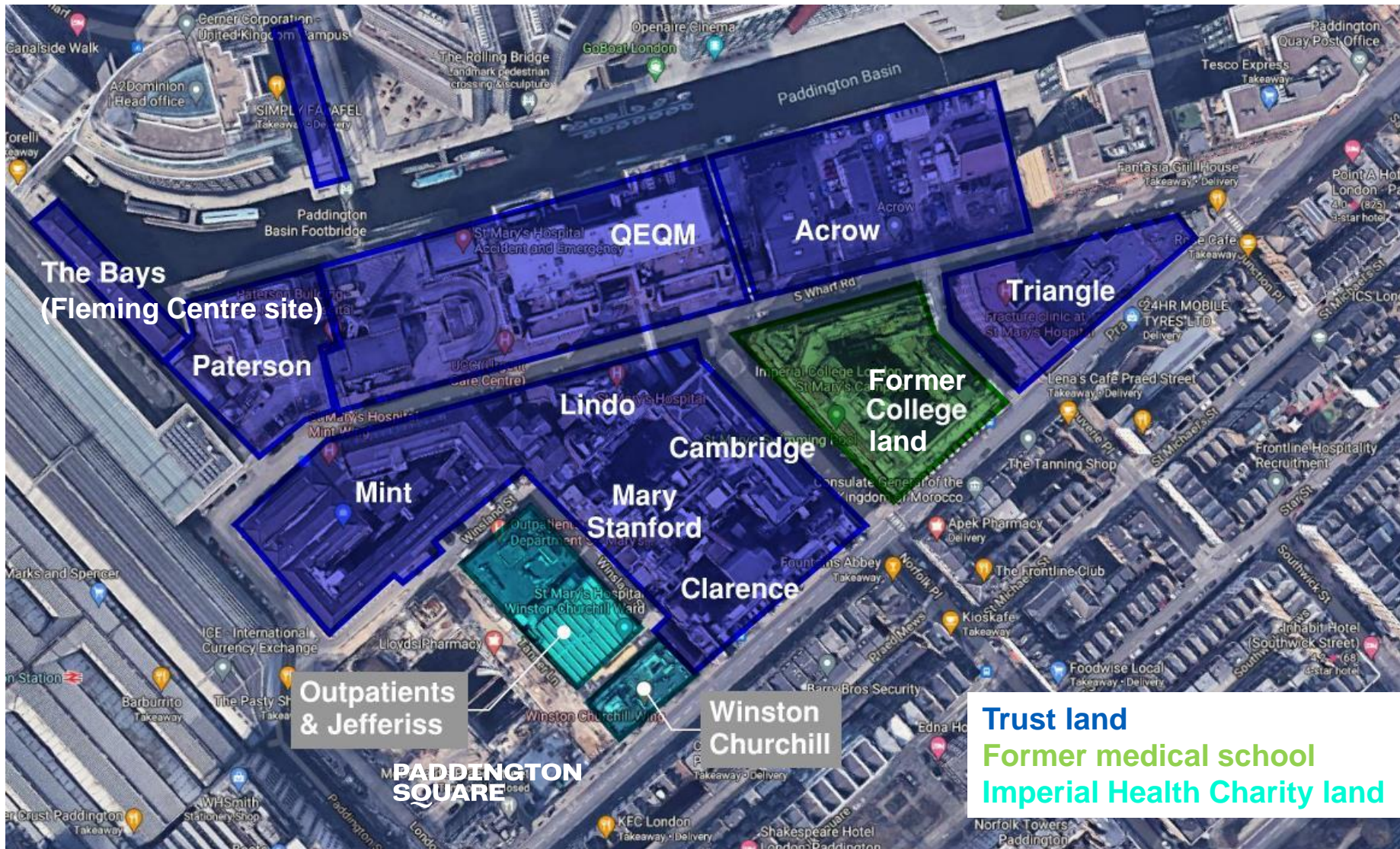
Capital investments, including
buildings, infrastructure and IT



1,010

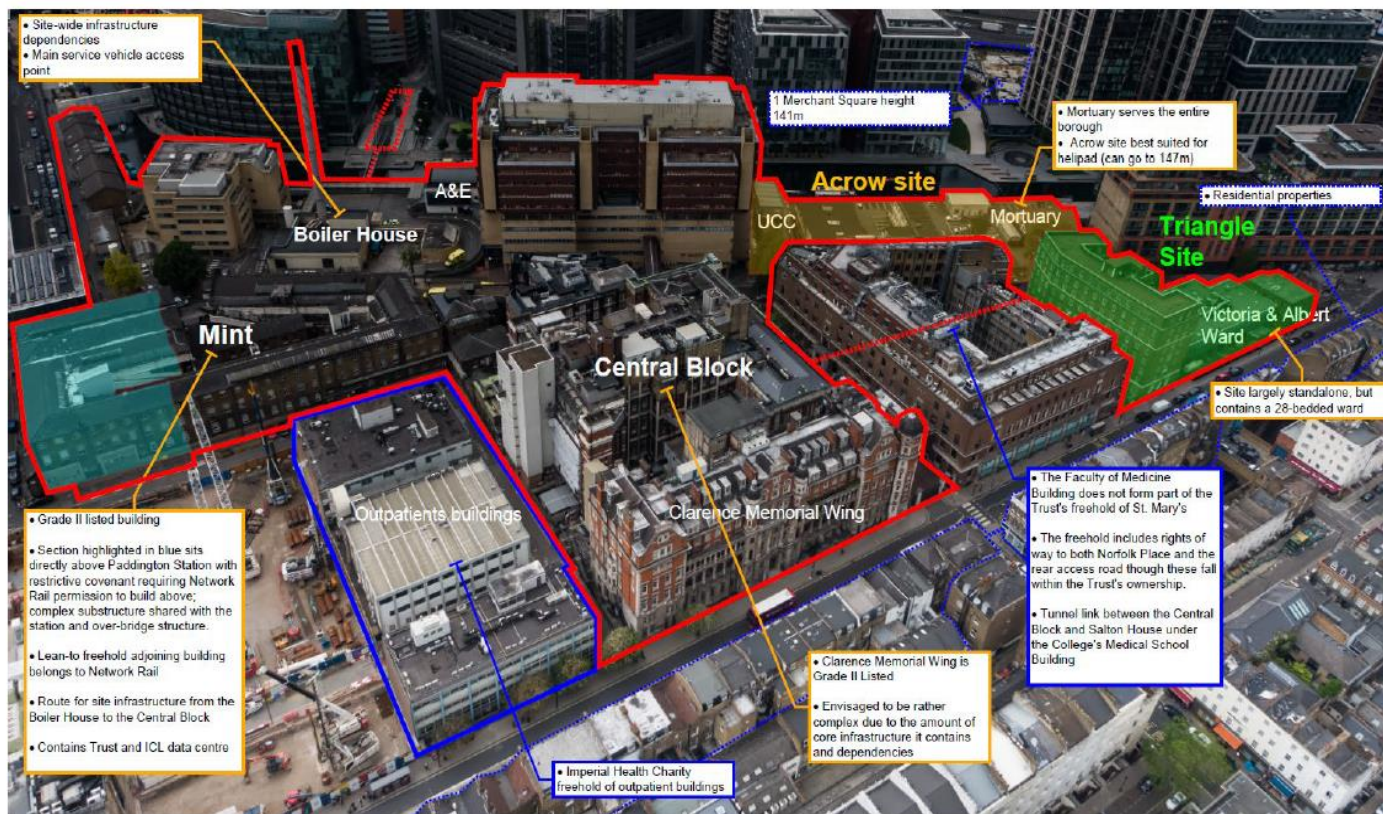
Clinical research
studies

The current St Mary's site

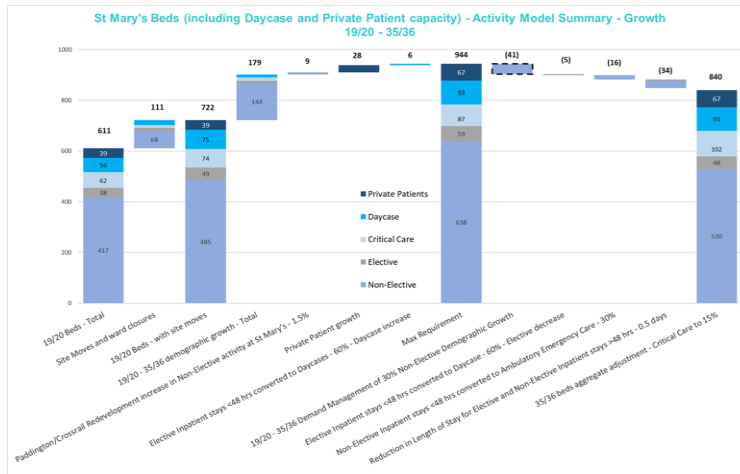


Chaos!

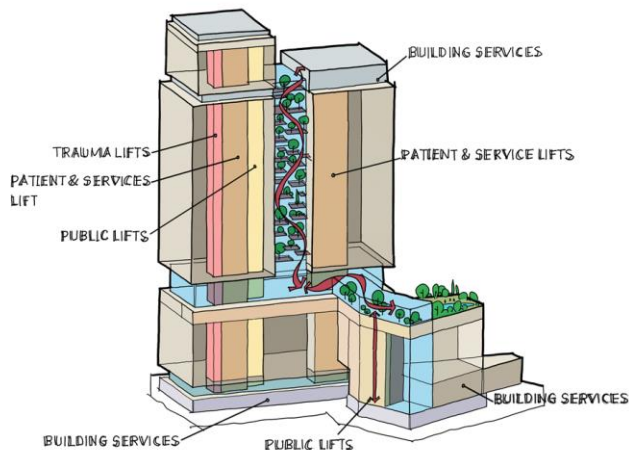
St Mary's Hospital Site analysis – Existing site



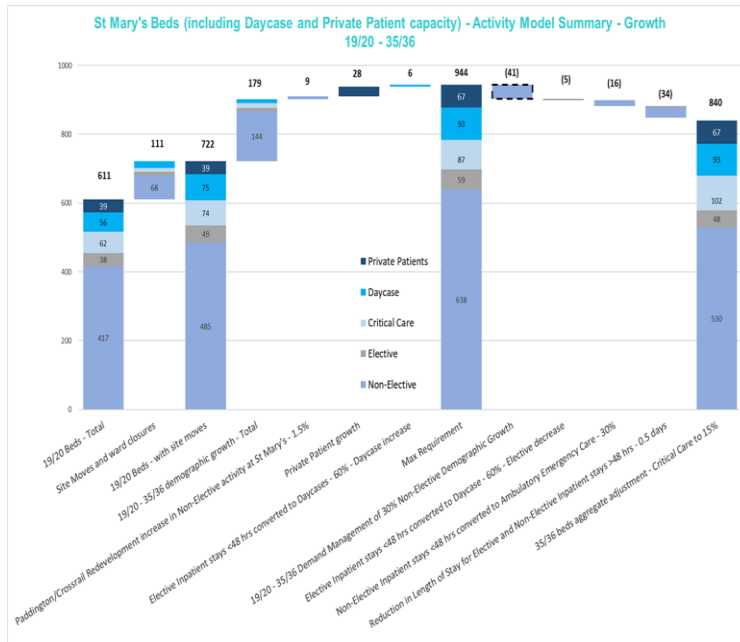
Scheme opportunities



- 800-840 bed
- £2.4bn-£2.5bn
- Release circa 5 acres for commercial opportunity
- Supports Paddington Life Sciences
- Life-sciences/commercial development opportunity of 2 million ft²
- Create 15-20,000 new jobs
- Deliver £15bn growth over 10 years

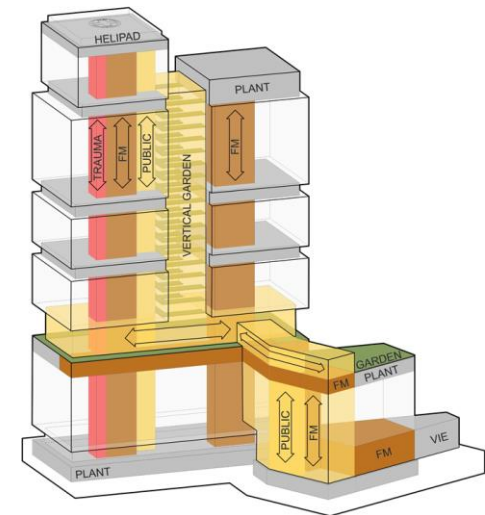
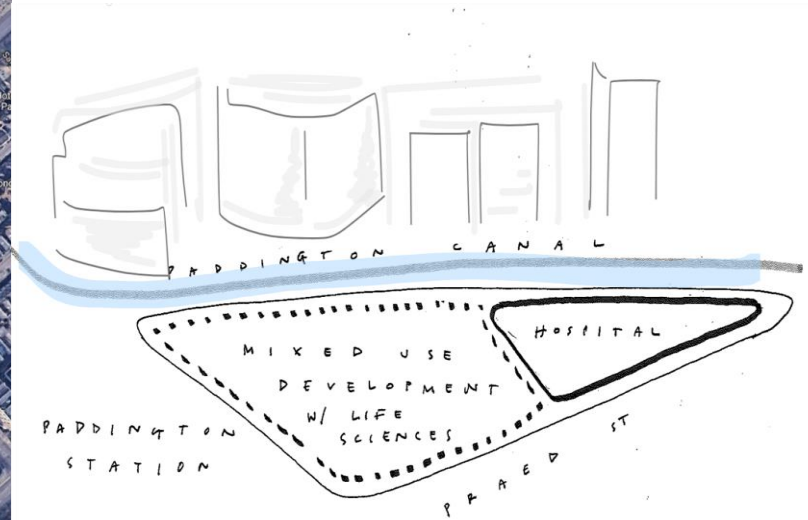
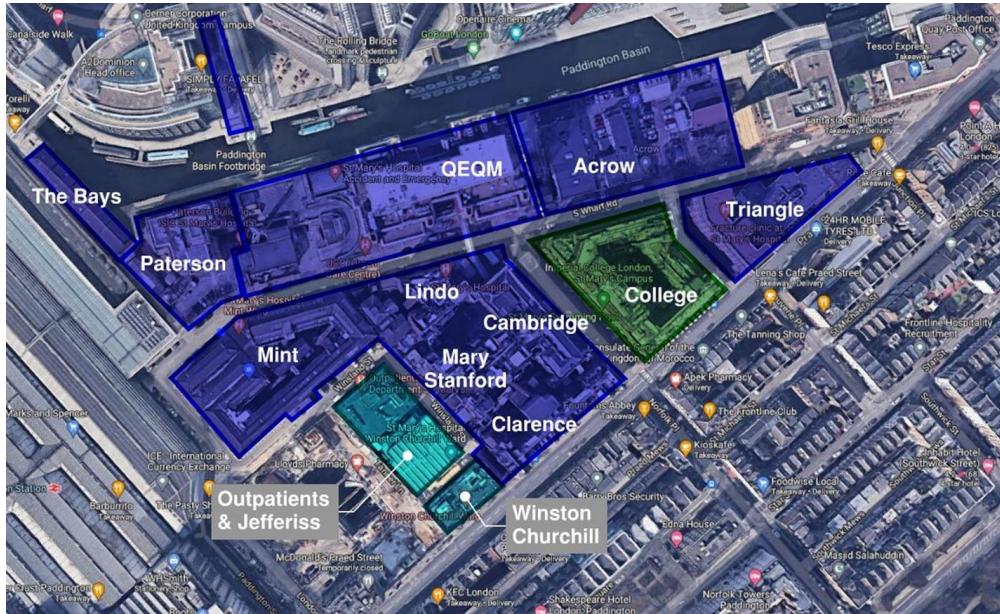


Optimise space requirements



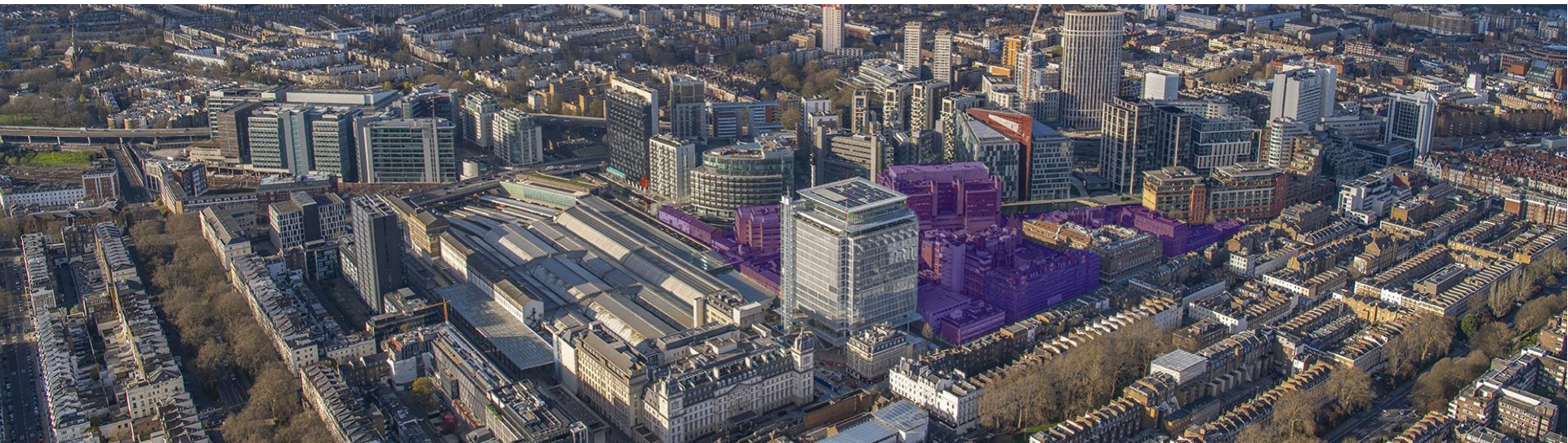
- Need to consider new technology, new models of care
- “Left Shift”
- Most efficient hospital is the one we don’t build

St Mary's redevelopment



Paddington Life Sciences

Paddington Life Sciences brings together industry, academia, the NHS and local communities for the creation of a life sciences cluster in Paddington, driving improved health, wealth and well-being.



New Fleming Centre is helping to demonstrate potential

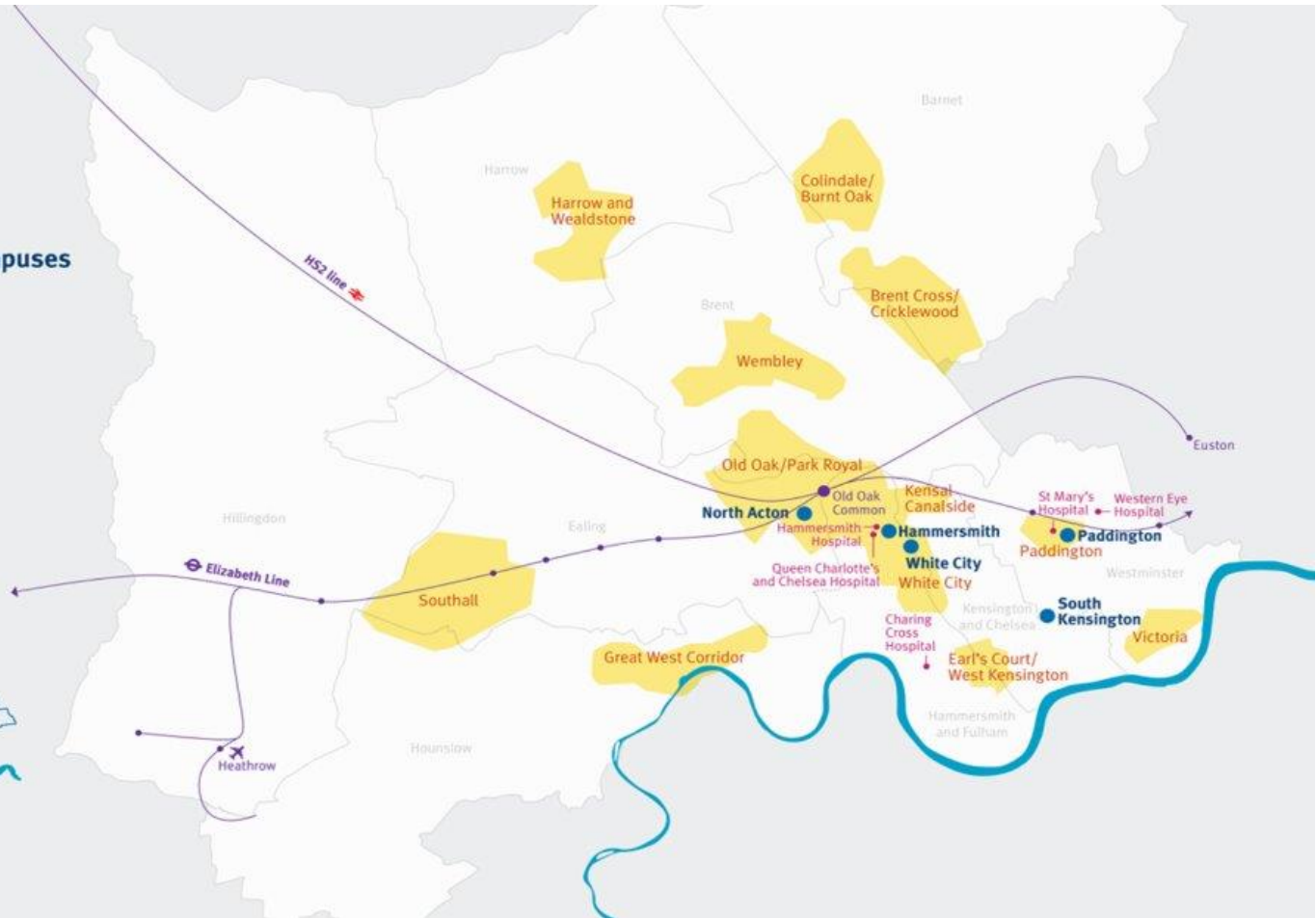


- A new research and public engagement hub to be developed at The Bays, an aging building on the edge of the St Mary's campus.
- Part of the wider Fleming Initiative, a partnership with Imperial College, led by Lord Ara Darzi, to tackle antimicrobial resistance globally.
- Due to open in 2028, as part of the centenary celebrations for the discovery of penicillin at St Mary's, it is an important marker for the expansion of Paddington Life Sciences and the redevelopment of the whole campus.
- Fundraising is well advanced for revenue and capital costs.

Imperial West Tech London

Imperial West Tech Corridor

- Imperial College London campuses
- Imperial NHS Hospital Sites
- Future Innovation Clusters
- Major transport links



Only with a new St Mary's hospital will the life sciences ecosystem at Paddington achieve its full global potential

£1.5 billion

national economic activity each year

contributed by the masterplan, equating to £38 billion over 60 years

£591 million

of economic activity would be realised as tax benefits, equating to £15 billion over 60 years

14,200

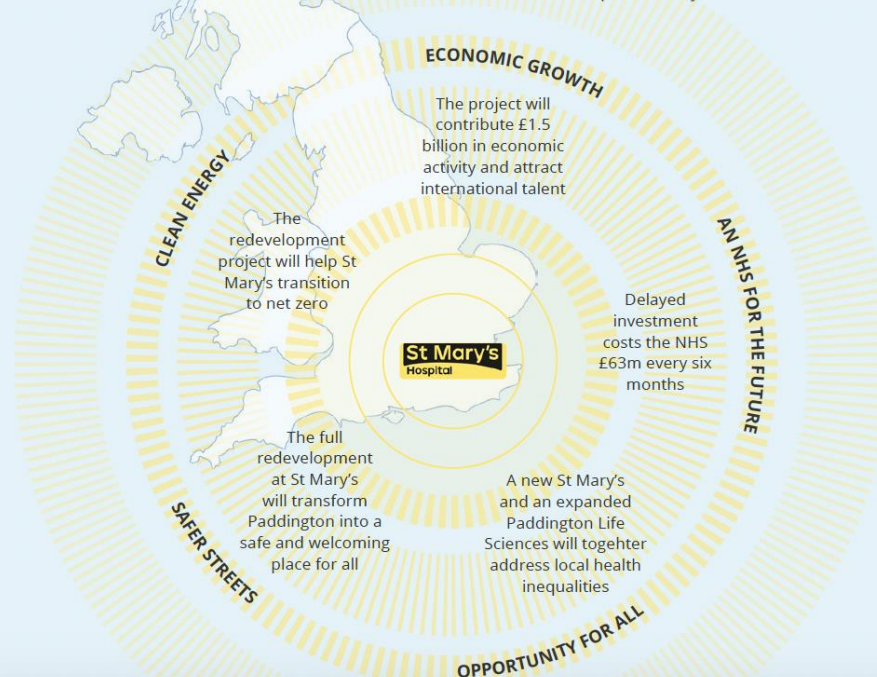
additional jobs on site

contributed by the masterplan, including full- and part-time workers, and up to 18,100 net additional jobs at the London level

22,700

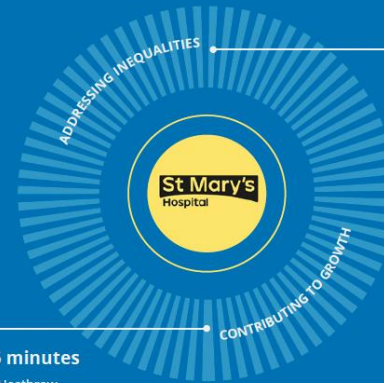
net additional jobs through catalytic multiplier effect

of the life sciences ecosystem, supporting national economic growth, high-quality jobs and productivity



National and local impact

The masterplan includes a new St Mary's Hospital as well as community, commercial and life sciences lab space, complementing the Paddington Life Sciences ecosystem.



More than 50%

population in some North West London boroughs come from a Black, Asian and other minority ethnic (BAME) background

14 years

life expectancy gap between most and least deprived communities in City of Westminster

13%

households in North West London are in the 20% most deprived in the UK.

Paddington as a transport hub

1 hour

to Oxford

1.5 hours

to Cambridge

15 minutes

to Heathrow

Companies located in the Paddington area



The Paddington Life Sciences investment catalyst

Attracting talent

International companies have chosen to locate to the UK to benefit from the opportunity of being part of the Paddington Life Sciences ecosystem, supported by national and international transport links, diverse communities to inform medical trials and vibrancy of place. 1 in 6 adults in the UK can reach Paddington in 60 minutes.

Catalysing innovation

Partnerships between St Mary's, Imperial College London and Paddington Life Sciences firms generate catalytic cluster benefits. Such clusters drive innovation and connect into wider regional 'super-clusters' spanning from Oxford to Cambridge.

Driving inward investment

Investment in St Mary's and the full redevelopment project could catalyse further inward investment. It would enhance vibrancy of place, delivering a safer and more vibrant urban environment providing modern amenities and high-quality green-spaces. This will foster healthier, cohesive communities and safer public spaces.

Delivering positive health outcomes with NHS efficiencies and innovation

Part of an NHS for the future

St Mary's collaboration with the Paddington Life Sciences ecosystem accelerates health innovation, addressing national priorities through cutting-edge clinical trials and research. Notable advancements include an AI stethoscope for early diagnosis of heart failure, prostate cancer screening and antimicrobial resistance interventions, cutting costs by £13,134 per patient.

Advancing health equity

St Mary's diverse patient population enhances clinical trial applicability and tackles health inequalities. Collaborations with Imperial engage 24,000 patients and support 1,100 research studies annually, fostering a skilled, innovative workforce.

Efficient healthcare delivery

St Mary's operations are currently inefficient, and delaying this investment costs the NHS £63m every six months – a far larger weight than at other hospital sites. The proposals are an opportunity to save the NHS from continuing this financial strain.

The St Mary's masterplan would support 7,500 – 14,200 direct jobs, 9,600–18,100 jobs net additional jobs in London (once displacement and multiplier effects are taken into account), £900m–£1.5bn of economic activity and £228m–£591m of tax. Range of 60-year NPV benefits for GVA is £19bn to £38bn and for tax is £6bn to £15bn. The catalytic multiplier could support up to 9,400 – 22,700 indirect and induced jobs nationally.

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Local authority support for best value town planning approach

- Westminster City Council wants to see a holistic masterplan for the whole site
- Opportunity for greater development density by linking public benefit to economic growth potential
- The Council have created a Site Allocation Plan, with the following vision:

VISION

Our vision for St Mary's is the delivery of world-class cityscape, incorporating a high quality sustainable mixed-use development that contributes to the objectives of the Paddington Opportunity Area as an area for commercial-led growth and improved healthcare provision.

Development will include the delivery of a new state of the art hospital that meets modern healthcare needs, alongside commercial growth that supports new high value jobs, a significantly enhanced public realm, and complementary uses.

Who benefits and who pays???

- Immediate local population, plus regional and national benefits
- Research, new drugs, treatments
- Industry – links with research, pharma etc
- So who pays. Opportunity for mixed funding model and mixed delivery vehicle
 - Traditional public capital – particularly early stage seed funding
 - Private finance – providing healthcare facilities, long term investment opportunity
 - Growth – how to capture benefits of growth – land value capture, tax incremental financing, municipal-bonds

The benefits are much wider than immediate health and estate benefits for St Mary's and local population. Key to progress is capturing these benefits and getting funding beyond the immediate health sector.