

# Future Hospital Report

Future Hospital  
Scrutiny Review Panel

8th February 2019

S.R.2/2019



States of Jersey  
States Assembly



États de Jersey  
Assemblée des États

## Future Hospital Report

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## Chairman's Foreword

The Future Hospital Review Panel was reconstituted after the May 2018 General Election. Our aim has been to hold the Government to account on its progress towards delivering a new hospital for patients and clinicians.

It was clear during the election that the future hospital was a key issue for many people. I know that Islanders are frustrated by the process of selecting the right site for the hospital but also the lack of progress towards getting spades in the ground.

Deputy Russell Labey's proposition, which is due to be debated on 12th February 2019, asks States Members to rescind Gloucester Street as the preferred site for the future hospital.



In advance of this debate we have produced this report which sets out our assessment of recent developments leading up to this vote, including the Chief Minister's Policy Development Board report and the Environment Minister's planning decision.

Fundamentally, we believe that Members are being presented with two options.

If you think that the process leading to the existing site being selected as the preferred site was flawed, and you think that this justifies reopening the question of site selection, you should vote for the proposition. However, you will be voting to delay the future hospital by at least 10 years as a result - based on the evidence as presented to us and found in this report.

Alternatively, if you think that the risks of delaying the future hospital are too great, then you should vote against the proposition.

We hope that the evidence presented in this report will allow Members to make an informed decision.

I would like to thank my colleagues on the Review Panel, the Scrutiny Officer and everyone who contributed to our work.

Regardless of how we find ourselves at this stage, now and going forward we must do our best to provide a hospital in the best interests of the patients, staff and indeed all Islanders.

A handwritten signature in black ink, appearing to read 'Kevin Pamplin', written in a cursive style.

Deputy Kevin Pamplin

Chairman, Future Hospital Review Panel

## Executive Summary

On 15 January 2019, proposition P.5, “Future Hospital: Rescindment of Gloucester Street as preferred site”, was lodged by Deputy Russell Labey. It asks the States Assembly to rescind a previous decision made by the States at the end of 2017.

We assessed the potential for delaying the new hospital and found that if the States decided to look for an alternative site the future hospital could be delayed by two and a half years. In reality this is more likely to be 10 years because Islanders will have to wait until the new hospital opens rather than the phased approach envisioned in the current project. All these dates – including for the current preferred site – are now likely to be pushed back by at least 6 months as a result of the recent decision to refuse planning permission on the current preferred site.

There are risks and benefits to continuing with the preferred site and looking for an alternative site. The implications of delay, however, are serious and include clinical risks to patients and financial risks to the project as a whole. These are likely to get worse over time. They should not be ignored or lightly discounted by Members.

If the States agree to look for an alternative site, it is imperative that the new site selection process is, and is seen to be, evidence-based and complies with best practice procedures. This process should include the existing site alongside any new sites. This process, and the whole project, should be overseen by a Political Oversight Group with clear membership, terms of reference and reporting lines – as recommended by the Comptroller and Auditor General.

We do not think that media reports which suggested that a future hospital could be built in Jersey for between £90 and £250 million are credible. Previous site option appraisals, carried out by specialist construction consultants in 2015, estimated capital costs of building a new hospital at a range of sites in Jersey at over £400 million.

We do not think that the arrangements for major infrastructure are adequately catered for in the current planning system. We are concerned that the Minister for the Environment is the only Minister able to make a decision on the future hospital despite the Planning Inspector’s acknowledgement that the decision was ultimately a political decision rather than a planning decision. We recommend that the planning system should be reviewed with a view to changing who has the ultimate responsibility for approving or rejecting a major infrastructure project so that it lies with the States Assembly rather than with the Minister for the Environment.

We note the Planning Inspector’s comments that in planning terms, there is not one ‘stand out’ alternative site option that would be clearly superior. While there are a number of realistic alternative site options that could physically accommodate the new hospital, each of the alternatives would come with its own set of significant adverse environmental effects and consequent tensions with the Island Plan. We believe that a mechanism will need to be found to get the future hospital past the Island Plan. This will need to be done carefully as it could have serious negative implications for other areas of planning.

Finally, we reviewed the work of the Chief Minister’s Policy Development Board tasked with looking at the hospital site. In our view, the poor governance arrangements associated with the Policy Development Board served to undermine the Board’s final report and significantly weakened its findings and recommendations.

## Findings and Recommendations

1. **KEY FINDING 1:** If the States decides to look for an alternative site for the future hospital, the indicative timelines we have seen suggest that, it is likely that the new hospital will be delayed for at least an additional two and a half years compared to the timetable for the current preferred site. In reality, the delay could be up to 10 years because Islanders will have to wait until the new hospital opens rather than the phased approach envisioned in the current project. This would start to see services come online in 2022 as opposed to 2028. This delay is likely to be exacerbated by undertaking a new site selection process and then any required due diligence on a new preferred site. All these dates – including for the current preferred site – are now likely to be pushed back by at least 6 months as a result of the recent decision to refuse planning permission on the current preferred site.
2. **KEY FINDING 2:** There are clear risks and benefits to both continuing with the preferred site and looking for an alternative site. The clinical risks, highlighted by the Managing Director of the Hospital, associated with keeping the current hospital open for another 10 years are very serious. They include the ability to manage and prevent the spread of hospital-acquired infections. They should not be ignored or lightly discounted by States Members.
3. **KEY FINDING 3:** It is highly likely that choosing to look for an alternative site will increase the cost of the future hospital project. These costs would arise, for example, from writing off some of the previous costs associated with the current project, costs associated with finding a new site, inflation, and not realising the full benefits of maintenance and improvement works carried out on the existing site.
4. **KEY FINDING 4:** The Chief Minister has indicated that he would speed up the site selection process should the States decided to look for an alternative site. He provided no evidence as to how he could achieve this. It is generally agreed that some of the contention around the current site has resulted from perceived failures in the previous site selection process. If the States decide to look for an alternative site it is imperative that the new site selection process is, and is seen to be, evidence-based and complies with best practice procedures. The process of tending for a new site selection project needs to be sound and regulated properly.
5. **KEY FINDING 5:** The Comptroller and Auditor General (C&AG) has highlighted that political leadership is vital for major projects. Prior to the May 2018 General Election, the future hospital project was overseen by a Political Oversight Group. Following the election, these arrangements have not been put in place. In fact, political oversight has become more complex and confused as a result of the establishment of the Policy Development Board. It was a serious failure not to have established a Political Oversight Group for this major infrastructure project as soon as possible after the Council of Ministers was established after the election.
6. **RECOMMENDATION 1:** **The Council of Ministers should establish a Political Oversight Group for the future hospital project immediately and publish its membership, terms of reference and reporting lines. The Policy Development Board looking at the hospital site cannot be considered an oversight group in light of its terms of reference.**

7. **KEY FINDING 6:** The case for establishing a Policy Development Board to look at the future hospital project is sound in principle. The Chief Minister is correct in identifying that the location of the current site is contentious among some people. There are merits to relooking at how the States Assembly arrived at the decision to locate the hospital on the current site.
8. **KEY FINDING 7:** We are very concerned that a significant proportion of the membership of the Policy Development Board was biased, from the outset, against the current proposals to locate the future hospital on the current site.
9. **KEY FINDING 8:** The original aim of Policy Development Boards was to support policy development. The Board looking at the hospital choose to review the evidential basis of past decision making. We believe that this backwards looking work is something that is better suited to Scrutiny. Having this work undertaken by Scrutiny would be less confusing for the public. This served to blur the lines between the Executive and Scrutiny. We are disappointed that the Chief Minister has not made more effort to address our concerns.
10. **KEY FINDING 9:** We are troubled that there appears to be two competing accounts of how the Policy Development Board viewed its task.
11. **KEY FINDING 10:** We have serious concerns about the quality and robustness of the Policy Development Board's governance arrangements. We are not satisfied that the governance processes and procedures were good enough for a Government-led group of politicians.
12. **KEY FINDING 11:** We note that the 22% response rate to the Policy Development Boards staff survey was low. While 82% of respondents said that the hospital should be built on an alternative site, there was no consensus on where it should go.
13. **KEY FINDING 12:** While it is very important that clinician's views on the future hospital are taken into account, we feel that their use by the Policy Development Board and others has been unhelpful and divisive to the overall debate around the future hospital.
14. **KEY FINDING 13:** In our view, the poor governance arrangements associated with the Policy Development Board serve to undermine the Board's final report and significantly weakened its findings and recommendations.
15. **KEY FINDING 14:** The Policy Development Board was originally set up to review the evidential basis of past decision making in relation to the future hospital site. It has extended beyond its original terms of reference by exploring alternative site selection scenarios.
16. **KEY FINDING 15:** We note that despite support for rejecting the preferred site and finding an alternative site, the Policy Development Board has acknowledged that the current site could deliver an acute general hospital facility as approved by the States.
17. **RECOMMENDATION 2:** **The Chief Minister and the President of the Chairmen's Committee should come to an agreed understanding about the relationship between Policy Development Boards and Scrutiny. The understanding should ensure that Policy Development Boards do not compromise the work of Scrutiny.**

18. **KEY FINDING 16:** The group of individuals we met to discuss the future hospital were credible, had strongly held concerns about the preferred site for the future hospital and were seeking to find an alternative solution. However, the governance arrangements around their proposal for us to undertake a feasibility study of alternative hospital sites was totally unacceptable to a Scrutiny Panel.
19. **KEY FINDING 17:** We are very surprised to see reports in the media of the Assistant Chief Minister supporting Overdale as a new preferred site for the future hospital prior to a new site feasibility study being undertaken.
20. **KEY FINDING 18:** We do not think that media reports which suggested that a future hospital could be built in Jersey for between £90 and £250 million are credible. Previous site option appraisals, carried out by specialist construction consultants in 2015, estimated capital costs of building a new hospital at a range of sites in Jersey at over £400 million.
21. **KEY FINDING 19:** While the Planning Inspector recommended that the Minister for the Environment reject the planning application in planning terms, he invited the Minister to consider whether there was sufficient justification to accept the application in light of the benefits that would be provided by a new hospital. The Minister decided that there was not sufficient justification.
22. **KEY FINDING 20:** The Planning Law requires that the Minister for the Environment should make the final decision on a planning application. The Minister is able to receive advice from Officials – who in this instance recommended that the Minister accept the application - but not to consult with other ministerial colleagues. We believe that this situation is unacceptable in this context. The decision to reject the planning application for the future hospital was ultimately a political decision. In light of this, the ultimate decision should rest with the States Assembly.
23. **RECOMMENDATION 3: The Planning Law should be reviewed with a view to changing who has the ultimate responsibility for approving or rejecting a major infrastructure project so that it lies with the States Assembly rather than with the Minister for the Environment.**
24. **KEY FINDING 21:** We note the Planning Inspector's comments that in planning terms, there is not one 'stand out' alternative site option that would be clearly superior. While there are a number of realistic alternative site options that could physically accommodate the new hospital, each of the alternatives would come with its own set of significant adverse environmental effects and consequent tensions with the Island Plan. We believe that a mechanism will need to be found to get the future hospital past the Island Plan. This will need to be done carefully as it could have serious negative implications for other areas of planning.
25. **RECOMMENDATION 4: This report has highlighted how poor, or a lack of, political leadership and political decision making has led to poor outcomes in relation to the future hospital. On this basis, the States should not rule out the existing site as a potential site for the future hospital. If the States decides to reopen the question of site selection, the existing site must be included in the new site selection process.**



26. **KEY FINDING 22:** We believe that States members are presented with two options in relation to proposition P5, “Future Hospital: Rescindment of Gloucester Street as preferred site”:

**Option 1:** If you think that the process leading to the existing site being selected as the preferred site was flawed, and you think that this justifies reopening the question of site selection, you should vote for the proposition. However, you will be voting to delay the future hospital by at least 10 years as a result.

**Option 2:** Alternatively, if you think that the risks of delaying the future hospital are too great, then you should vote against the proposition.

## 1. Introduction

27. The Future Hospital Review Panel was reconstituted following the May 2018 General Election. Our role is to impartially scrutinise the Government's progress towards delivering the future hospital project and to ensure that it will meet the needs of all Islanders.
28. On 15 January 2019, proposition P.5, "Future Hospital: Rescindment of Gloucester Street as preferred site", was lodged by Deputy Russell Labey.<sup>1</sup> It asks the States Assembly to rescind a previous decision made by the States at the end of 2017. Effectively, it asks States Members to decide whether to continue with the current proposals on the existing hospital site or whether to start the site selection process again. This decision will be based on a wide range of factors, not least the recent report from the Policy Development Board looking at the future hospital site, the Planning Inspector's report and the Minister for the Environment's subsequent planning decision.
29. The purpose of this report is to provide States Members and the general public with our assessment of recent events in relation to the future hospital. Our aim is to highlight some areas of concern and to provide a narrative on the developments which led to these reports and decisions. We hope that our findings will help Members to take a balanced view on the issues and decide whether it is appropriate to reopen the question of site selection. What this report does not do is attempt to identify a site for the future hospital.
30. Chapter 2 provides a brief history of events in relation to the future hospital and the role of scrutiny in this process. Chapters 3 and 4 highlight two important issues that, in the view of the Future Hospital Review Panel, have not received the attention they deserve: the implications associated with any delay to the future hospital and the arrangements for political oversight of the future hospital. Chapter 5 examines the Policy Development Board looking at the future hospital site including its establishment, governance and final report. Chapter 6 explores the planning process including the Planning Inspector's report and subsequent planning decision.
31. As part of our work we held a public hearing with the Chief Minister and the Assistant Chief Minister and Chair of the Policy Development Board, prior to the Policy Development Board publishing its final report. We held a private hearing with the Minister for the Environment following his decision to reject the latest planning application. The hearing was held in private to accommodate the planning appeal process. The transcript from the hearing was published once it was confirmed that the Minister for Infrastructure did not intend to appeal. We also spoke privately with the Future Hospital Team, the Medical Director and other individuals. We are grateful to everyone who took the time to engage with us. We have also drawn upon publications from the Comptroller and Auditor General and from the Policy Development Board. We refer to these publications throughout the report.

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<sup>1</sup> States of Jersey, [Future Hospital: Rescindment of Gloucester Street as preferred site](#), P.5/2019, 15 January 2019

## 2. A Brief History of the Future Hospital

32. In 2012 the States Assembly adopted proposition P.82, *Health and Social Services: A New Way Forward*.<sup>2</sup> This proposition approved a redesign of Jersey's health and social care services. The main aim of this change was to improve preventative health measures and provide more care in the community (and outside of the General Hospital).
33. At this time it was recognised that the hospital was no longer fit for purpose and would require "complete refurbishment and redesign or rebuild in the next decade".<sup>3</sup> Proposition P.82 required Ministers to bring forward for approval proposals and detailed plans for a new hospital either on the new site or on the current site.
34. Between the 2012 and 2016 the States of Jersey undertook work to determine a preferred site for a future hospital. An assessment of this work has been undertaken by the Comptroller and Auditor General (C&AG) in her report, *Decision Making: Selecting a Site for the Future Hospital (March 2012 - February 2016)*.<sup>4</sup> In November 2017, the C&AG concluded:

*I am concerned that arrangements for making decisions on the siting of the Future Hospital were poor and that the decision took too long. Through this work I have identified a number of areas where urgent change is needed if better value for money is to be achieved.*<sup>5</sup>

35. We do not propose to replicate here the analysis produced by the C&AG and encourage you to read her report. We will refer back to some of the C&AG's findings and recommendations later in the report.
36. In November 2016, the Health and Social Security Scrutiny Sub-Panel produced a report, *Future Hospital Project*, in advance of a States debate on proposition P.110/2016.<sup>6</sup> This proposition established in principle the existing General Hospital as the Government's preferred site for the future hospital.<sup>7</sup> The Scrutiny report did not comment on the site specifically but made a number of findings and recommendations in relation to the wider strategic context and project delivery.
37. In April 2017, the Corporate Services Scrutiny Panel produced a report, *Future Hospital Funding Strategy*, scrutinising proposition P.130/2016.<sup>8</sup> This proposition, which was withdrawn and subsequently reissued, asked the States Assembly to agree the maximum expenditure of the hospital and a funding mechanism.<sup>9</sup> The Scrutiny report made a number of recommendations concerned with financial controls, reporting and accountability.

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<sup>2</sup> States of Jersey, [Health and Social Services: A New Way Forward](#), P.82/2012, 11 September 2012

<sup>3</sup> States of Jersey, [Health and Social Services: A New Way Forwards](#), P.82/2012, 11 September 2012, p13

<sup>4</sup> Office of the Comptroller and Auditor General, [Decision Making: Selecting a Site for the Future Hospital \(March 2012 - February 2016\)](#), 23 November 2017

<sup>5</sup> Jersey Audit Office press release, [Improvements in decision making needed](#), 23 November 2017

<sup>6</sup> Health and Social Security Scrutiny Sub-Panel, [Future Hospital Project](#), S.R.7/2016, 24 November 2016

<sup>7</sup> States of Jersey, [Future Hospital: Preferred Site](#), P.110/2016, 19 October 2016

<sup>8</sup> Corporate Services Scrutiny Panel, [Future Hospital Funding Strategy](#), S.R.4/2017, 13 April 2017

<sup>9</sup> States of Jersey, [Future Hospital Funding Strategy \(as amended\)](#), P.130/2016, 30 November 2016

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38. In December 2017, the Future Hospital Scrutiny Review Panel produced a report, *Future Hospital Project*, scrutinising proposition P.107/2017.<sup>10</sup> This proposition asked the States Assembly to consider a combined proposal including more detailed proposals on the preferred site and the funding mechanism.<sup>11</sup> The Panel contracted an external consultant, Concerto, who identified short-term and medium term risks associated with the project, including refusal of planning permission which was due to be decided after the States had considered the proposition. The Panel recommended that P.107 be delayed until after the Planning Inspector had published his recommendations. This was refused by the Minister for Treasury and Resources.<sup>12</sup>
39. At the end of 2017, the States Assembly adopted proposition P.107. By doing so, the States agreed to the preferred site of the hospital (on the site of the existing hospital) and the arrangements for funding the scheme through a combination of borrowing and drawing on the Strategic Reserve Fund. The total amount that the States agreed to spend on building the hospital was £393 million with £74 million of contingency spend. This makes a total of £466 million.
40. A planning application was submitted in June 2017 prior to the States agreeing P.107. A Public Inquiry was conducted in November 2017. Following the States agreement of P.107, the Planning Inspector recommended that the Minister for the Environment reject the application.<sup>13</sup> The Minister subsequently refused planning permission.<sup>14</sup>
41. In April 2018, the Future Hospital Review Panel produced another report, *Future Hospital Project Follow-up Report*, following planning refusal and prior to the Government submitting a new planning application.<sup>15</sup> The Review Panel recommended that the Council of Ministers should lodge a proposition detailing the revised scheme and its funding for formal approval. This did not happen.
42. A revised planning application was submitted in April 2018. A Public Inquiry on the revised planning application was held in September 2018. The Planning Inspector recommended that “unless the Minister considers that there is a public interest benefit that provides a sufficient justification for making a decision which is inconsistent with the Island Plan, planning permission should be REFUSED [...]”.<sup>16</sup> The Minister subsequently refused planning permission.<sup>17</sup>
43. Following the May 2018 General Election, the Chief Minister established a Policy Development Board to “review the evidence that supported the previous States Assembly’s decision to build a new hospital on the site of the existing hospital.” The Hospital Policy Development Board published its report, *Review of evidence to build a new*

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<sup>10</sup> Future Hospital Review Panel, [Future Hospital Project](#), S.R.13/2017, 6 December 2017

<sup>11</sup> States of Jersey, [Future Hospital: Approval of Preferred Scheme and Funding](#), P.107/2017, 31 October 2017

<sup>12</sup> States of Jersey, [Future Hospital Project \(S.R.13/2017\): Response of the Minister for Treasury and Resources](#), S.R.13 Res./2017, 25 January 2017

<sup>13</sup> States of Jersey, [General Hospital - Replacement: Planning Application \(PP/2018/0004\): Planning Inspector's Report](#), 2 January 2018

<sup>14</sup> States of Jersey, [General Hospital - Replacement: Planning Application \(PP/2018/0004\): Planning Inspector's Report](#), 9 January 2018

<sup>15</sup> Future Hospital Review Panel, [Future Hospital Project Follow-up Report](#), S.R.6/2018, 9 April 2018

<sup>16</sup> States of Jersey, [Future General Hospital: Public Inquiry Decision: PP/2018/0507: Inspector's Report](#), 10 December 2019

<sup>17</sup> States of Jersey, [New General Hospital: Public Inquiry Decision: PP/2018/0507](#), 14 January 2019

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*hospital on the existing site*, in November 2018.<sup>18</sup> A minority report was subsequently published by the Minister for Health and Social Services who was also a member of the Board.<sup>19</sup>

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<sup>18</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018

<sup>19</sup> States of Jersey, Hospital Policy Development Board: Review of evidence to build a new hospital on the current site, [Response of the Minister for Health and Social Services](#), November 2018

### 3. Implications of Delaying the Future Hospital

44. There are a number of implications as a result of delaying the future hospital. The extent of the delay will depend on whether the States proceeds with the preferred site, decides to look for a new site and, if so, how rigorous that process is, and finally, whether it decides to incorporate or expand other facilities within the project such as mental health and private facilities.

#### Length of delay

45. In October 2018, the Future Hospital Team gave us an update on the project to build a new hospital for Jersey. The document stated that stage one of the build on the current preferred scheme was due to start in early 2019 and be operational by 2022. Stage two of the build would start in 2022 and be operational by 2024. At this point the hospital would be fully operational. Stage 3 would start in 2025 and would involve creating a new entrance to the hospital.<sup>20</sup>

46. In our public hearing with the Chief Minister in October 2018, he shared a “programme of works” (see figure 1) with us which compared timelines for the existing States of Jersey approved site and a potential new site. The Chief Minister suggested that, based on the diagram, if the decision was made to find a new site, the delay to the future hospital might amount to an additional two and a half years before the future hospital was complete.<sup>21</sup>

47. We note that the programme provided by the Chief Minister differs to the figures set out by the Future Hospital Team in October 2018. In particular, “Phase 1b” in the diagram (referred to as “Stage 2” by the Future Hospital Team) is due to be completed a year later in 2025 rather than in 2024. If the Future Hospital Team’s original estimate is taken into consideration, the delay would amount to an additional three and a half years.

48. The Policy Development Board’s final report corroborated the Chief Minister’s estimate. The report set out two scenarios: the first to continue with the existing site; and the second to find an alternative site.<sup>22</sup> With regard to the second scenario the Board stated:

*The Board recognises that if the second scenario, to reject the current site is taken, it will have a more significant impact upon the timetable for delivering of a new hospital than the first, wherever it is built. Under this scenario, the current programme would stop immediately, with no alternative option available to deliver a new hospital, until a new site is selected and approved with planning permission.<sup>23</sup>*

[...]

*It considers that [the indicative revised timetable] should be regarded as being conservative and that the key States decisions and anticipated processes should be prioritised to ensure the commencement of*

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<sup>20</sup> Future Hospital Team, [Update on the project to build a new hospital for Jersey](#), October 2018, p9-10

<sup>21</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p21

<sup>22</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p59

<sup>23</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p59

construction on an alternative site, if agreed, can take place as soon as possible.<sup>24</sup>

49. The Minister for Health and Social Services stated in his report, however, that the delay could be as much as 10 years.<sup>25</sup> The Minister doubted the Policy Development Board’s assertion that this was a “conservative” figure “given the difficulties over decision making we have encountered thus far”.<sup>26</sup> The Minister stated that, “the 10 year wait compares poorly with the delivery of new services planned in the phased development of the current site”.<sup>27</sup> This would see Westaway Court open in 2022, Phase 1A the Ambulatory Care Centre including day surgery theatres open in 2022, and Phase 1B the Acute Care Facility open in 2025.

**Figure 1: programme of works comparing the existing States of Jersey approved site and a potential new site**

Item/time	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<b>Existing SoJ approved site - Clinical Programme of Works</b>											
Planning Permission & enabling works											
Current Hospital Build programme		Westaway court			Phase 1b						
		Phase 1a						Phase 2 -entrance			
<b>New Site - Clinical Programme of Works</b>											
Pre-approvals process											
New site selection process											
Planning & OBC approval											
Procure new Contractor & design team											
Enabling works											
Revised Hospital Build programme											

Source: Chief Minister, October 2018

<sup>24</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p60

<sup>25</sup> States of Jersey, Hospital Policy Development Board: Review of evidence to build a new hospital on the current site, [Response of the Minister for Health and Social Services](#), November 2018, p11

<sup>26</sup> States of Jersey, Hospital Policy Development Board: Review of evidence to build a new hospital on the current site, [Response of the Minister for Health and Social Services](#), November 2018, p11

<sup>27</sup> States of Jersey, Hospital Policy Development Board: Review of evidence to build a new hospital on the current site, [Response of the Minister for Health and Social Services](#), November 2018, p11

**KEY FINDING 1:** If the States decides to look for an alternative site for the future hospital, the indicative timelines we have seen suggest that, it is likely that the new hospital will be delayed for at least an additional two and a half years compared to the timetable for the current preferred site. In reality the delay could be up to 10 years because Islanders will have to wait until the new hospital opens rather than the phased approach envisioned in the current project. This would start to see services come online in 2022 as opposed to 2028. This delay is likely to be exacerbated by undertaking a new site selection process and then any required due diligence on a new preferred site. All these dates – including for the current preferred site – are now likely to be pushed back by at least 6 months as a result of the recent decision to refuse planning permission on the current preferred site.

### Implications

50. The implications of delaying the future hospital were set out in proposition P.107/2017, *Future Hospital: Approval of Preferred Scheme and Funding*, in the form of ‘Key Points of Failure’ for the future hospital. These included:

- Significant delay to the opening of the Future Hospital; or
- Failure of the current General Hospital during the design and construction period of the Future Hospital; or
- Demand for services currently provided exceeding the capacity of the current General Hospital in the interim period before the opening of the Future Hospital.<sup>28</sup>

51. The proposition also set out the following business continuity actions that would need to be undertaken in the event of a delay to the future hospital. These included:

- More delivery of hospital services off-Island;
- Increased waiting lists for elective surgery;
- Acceleration of the future hospital programme delivery; and
- Provision of temporary accommodation for hospital services.<sup>29</sup>

52. The Chief Minister’s Policy Development Board, tasked with looking at the future hospital site, considered the risks and benefits associated with both continuing with the preferred site and finding an alternative site.<sup>30</sup>

### Scenario 1: continue with the current site

53. In Scenario 1, where the States continue with the current site, the Policy Development Board identified clinical, financial and construction risks associated with building next to the existing hospital and delays to starting the project. These could affect patients and increase the cost of the project.<sup>31</sup>

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<sup>28</sup> States of Jersey, *Future Hospital: Approval of preferred scheme and funding*, [P.107/2017](#), 31 October 2017, p26

<sup>29</sup> States of Jersey, *Future Hospital: Approval of preferred scheme and funding*, [P.107/2017](#), 31 October 2017, p26

<sup>30</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p59-72

<sup>31</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p63-64



54. With regard to construction risks, such as noise and vibration, we note that the Policy Development Board visited Bristol where it visited two new hospitals which had been built next to existing hospitals in order to explore these issues. The minutes from the visit show that these risks could be successfully managed.<sup>32</sup> Furthermore the Policy Development Board concluded:

*The Board are however assured that having been presented with the proposed methodologies and visited other hospital construction sites, the risk to patients and staff working on the existing hospital site can be mitigated to reduce and manage them.*<sup>33</sup>

55. We also note that the Planning Inspector's report on the latest planning application which also addressed this issue and concluded:

*If permitted, the implementation of this major construction project would result in widespread and protracted impacts on neighbouring homes, businesses, the local road network and the wider area. These are the inevitable consequences of a major construction project in a constrained town centre setting and are not matters that are pivotal to the determination of an Outline Planning application.*

*Planning conditions could be imposed to ensure that demolition and construction activities are properly managed. However, even with these management regimes and measures in place, there will be negative impacts and disruption throughout the implementation period.*<sup>34</sup>

56. The benefits identified by the Policy Development Board included a phased delivery, a reduction in internal disruption caused by ongoing maintenance, and more certainty about the future hospital.

57. The Policy Development Board estimated that the cost associated with the 3 to 4 month delay in this Scenario is likely to result in an additional £3-4 million as a result of increased inflation costs. It is not clear where this figure comes from.<sup>35</sup>

58. The previous Future Hospital Review Panel asked Concerto, a management consultancy, to conduct an Assurance Report of the future hospital project which was published in November 2017. In relation to delays, it stated:

*If Planning Permission is granted but if the Outline Business Case is not approved, the project will become delayed. The cost impact of such a delay would be of the order of low £ millions if the delay is measured in single weeks, but any larger delay will be exacerbated by the purdah period and*

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<sup>32</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p80-91

<sup>33</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p53

<sup>34</sup> States of Jersey, [Future General Hospital: Public Inquiry Decision: PP/2018/0507: Inspector's Report](#), 10 December 2019, p70

<sup>35</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p64

*the ensuing cost impact will more likely be measured in £10 million multiples.<sup>36</sup>*

59. In a more recent Assurance Report, also conducted by Concerto and published in April 2018, it reported a Gleeds estimate (a construction firm) that a six-month delay would cost around £5.8 million for inflation and some direct costs for prolonging the preconstruction phase.<sup>37</sup> The report also stated that this was manageable within the existing budget for the hospital.

### Scenario 2: find an alternative site

60. In Scenario 2, where the States stop work on the current site and look for an alternative site, the Policy Development Board identified clinical risks and an extended maintenance period associated with keeping the existing hospital open for 10 years. Properties in Kensington Place may be redeveloped anyway creating dust, noise and vibration risks. Construction and financial risks were also identified.<sup>38</sup>

61. The benefits identified by the Policy Development Board included reduced risks to patients from onsite construction, 'future proofing' the new hospital, improved patient and staff experience, and improved public, staff and political buy-in to an alternative site.

62. The Policy Development Board did not report a specific cost associated with this Scenario but it suggested that the "anticipated cost would be similar to that of the existing scheme in build terms". No evidence was supplied to support this statement. The Policy Development Board stated that "higher inflation costs will be incurred due to the extended time period needed to deliver the final scheme". In addition, "a proportion of the spend to date on the current scheme will be written off" and "the benefits of extended maintenance and improvement works required for some areas of the existing hospital will not be fully realised as the move will take place before their full replacement life cycle is complete". An example of this includes the new electricity substation on the existing site which is required to replace the current substation which has reached the end of its life.

63. Proposition P.5, *Future Hospital: Rescindment of Gloucester Street as preferred site*, does provide some financial implications associated with stopping work on the current site. The proposition states:

*There are, of course, more than the winding-up implications; there's the writing-off of the spend to date, that is estimated at £33 million. When this was looked at prior to Christmas, it was £38 million spend to date, and a further £5 million estimated to the end of March, and £10 million that added value to the Balance Sheet.*

*The internal team consists of 9 people, and the costs associated with making these people redundant, and their notice periods, is estimated at up to £400,000, in the event that they cannot be redeployed or employed on the project at a newly identified site.*

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<sup>36</sup> Concerto, [Assurance Report: Future Hospital Project](#), 8 November 2017

<sup>37</sup> Concerto, [Assurance Report: Future Hospital Project \(FHP\)](#), 11 May 2018

<sup>38</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p65-70

*Costs payable under other contracts are currently being assessed and are likely to be available at the end of January [this has now passed].*

*Then there's the extra spend to keep facilities going safely under the delayed new facilities. How much that costs depends on the length of the delay of course; however, as an indication, when the exercise was last undertaken in 2016, maintenance between 2020 and 2025 was estimated at £26 million (as included in the Outline Business Case "do nothing" option). If delays exceed this period, costs will increase further.*

*Financial provision must be made to progress anything new, i.e. site appraisals, etc.*

*Finally, the decision to rescind must be taken in the understanding that it will potentially impact on the costs of borrowing for the new Hospital.<sup>39</sup>*

64. In Scenario 2, the Policy Development Board refers to a Clinical Risks Report set out in Appendix H of its report. This was provided by the Group Managing Director of the Health and Community Services Department who runs the hospital. It sets out the 'likely impacts of rejection of the current future hospital project on local morbidity and mortality.

65. The Risk Report said that the main impact of delay will be a lack of 'hospital side rooms' which are integral to the new hospital and better infection control. The report stated:

*Failure to mitigate against this 'clear and present danger' by the completion of our new model hospital within the next 5 years will prevent us dealing with predictable surges in patients with community acquired infections, whilst simultaneously exposing vulnerable groups to the added risk of hospital-acquired infections – a vicious cycle of superadded infections and poorer outcomes to the Island's people and community.<sup>40</sup>*

66. The report also highlighted that the "future lack of single room capacity" will delay admission of patients. The report argues that delaying the future hospital could lead a number of other consequences including, for example, an increase in patient waiting times, overcrowding and increase in the likelihood of medical errors, complications and higher mortality.<sup>41</sup>

67. These concerns were echoed by the Health Minister in his response to the Policy Development Board's report. He highlighted the risks associated with the need to sustain current services in buildings that are not fit for purpose. He stated:

*As Health and Social Services Minister, I have huge concerns about the risks we would face if we decide not to proceed with a new hospital on the current site. These principally arise because of the need to sustain current services for another 10 years in buildings which are not fit for purpose. This is not simply about the condition of buildings and the huge amounts of money that would need to be spent on maintenance but, more importantly,*

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<sup>39</sup> States of Jersey, [Future Hospital: Rescinding of Gloucester Street as preferred site](#), P.5/2019, 15 January 2019, p3

<sup>40</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p120

<sup>41</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p120

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*about the increasing risks to patient safety in terms of infection and disease control and overcrowding. Almost all areas of our current hospital fail to meet modern health standards and will not meet the requirements of regulations made under the Regulation of Care (Jersey) Law 2014, which the Assembly has just adopted. Officers in my department have prepared detailed assessments of the risks which I hope ministers will consider carefully.<sup>42</sup>*

**KEY FINDING 2:** There are clear risks and benefits to both continuing with the preferred site and looking for an alternative site. The clinical risks, highlighted by the Managing Director of the Hospital, associated with keeping the current hospital open for another 10 years are very serious. They include the ability to manage and prevent the spread of hospital-acquired infections. They should not be ignored or lightly discounted by States members.

**KEY FINDING 3:** It is highly likely that choosing to look for an alternative site will increase the cost of the future hospital project. These costs would arise, for example, from writing off some of the previous costs associated with the current project, costs associated with finding a new site, inflation, and not realising the full benefits of maintenance and improvement works carried out on the existing site.

## Reducing the delay

68. During our public hearing with the Chief Minister, he acknowledged the delay associated with looking for a new site. His solution to mitigating this delay was to “speed up the process” “because we are not starting from square one”. He stated:

*I think the scenario, as I understand it, here is, as I said, a hypothetical scenario and this is saying if you are restarting from day one we will have ... if that was the case you would have some sort of discussions with the contractors and see what the position is but you are into a ... this says it is a 5-year programme before you can get on to the site. As I said, 2½ years of that is new site selection process. I would really hope that we could speed that process up quite significantly. Bearing in mind that the revised application - I am speaking as a layman here obviously - this is looking at a diagram that has been put in front of us ... the revised planning application for the scheme that was rejected, I think it was January of this year, was in place in April. So one would hope that you could try and speed that process up because we are not starting from square one. The adjacencies have been sorted out. Some of the things from the O.B.C. (outline business case) must be capable of being reused. That is the discussion one has to have to understand that position. So I cannot comment on that today because we need to have a greater understanding of what is in that process.<sup>43</sup>*

69. The Chief Minister also stated that in relation to finding an alternative site for the hospital, he did not want to return to looking at the 41 sites originally evaluated but instead focus on the 4 or 5 shortlisted sites. He stated:

*Certainly my position is that it would not be a good use of time to go back to the 41 sites and therefore you have to have a limited number that you are working from. Ideally, in my view, you would limit that down as much as*

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<sup>42</sup> States of Jersey, Hospital Policy Development Board: Review of evidence to build a new hospital on the current site, [Response of the Minister for Health and Social Services](#), November 2018, p11-12

<sup>43</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p38-39

*possible to ensure that any delay is reduced. If you look on that chart I have passed to you, in that process which arrives at 6 months, according to this, at the end date, bearing in mind that is the end of the construction, we do get other deliverables during the existing scheme, they have allowed 2 and a half years for site selection. Now, my take would be, I would hope, as a layman, that we could do that a lot quicker. Most of us ... the issues are there, it is just a case of updating them and consolidating down. Planning and approval is another year and a half and then you have contractors, which is about another year and a half by the looks of things, it might be 2 years. So there is quite a lot of project development before you start building in there. I am curious, and this is just my personal opinion, it would be subject to understanding the intricacies of it. I would have thought you could get a site selected and sorted out before 2 and half years. That would be my ambition. I would hope that you would be back in the position ... in fairly short order because most of the sites and the aspects around them are already known.<sup>44</sup>*

**KEY FINDING 4:** The Chief Minister has indicated that he would speed up the site selection process should the States decided to look for an alternative site. He provided no evidence as to how he could achieve this. It is generally agreed that some of the contention around the current site has resulted from perceived failures in the previous site selection process. If the States decide to look for an alternative site it is imperative that the new site selection process is, and is seen to be, evidence-based and complies with best practice procedures. The process of tending for a new site selection project needs to be sound and regulated properly.

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<sup>44</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p21

## 4. Political Oversight

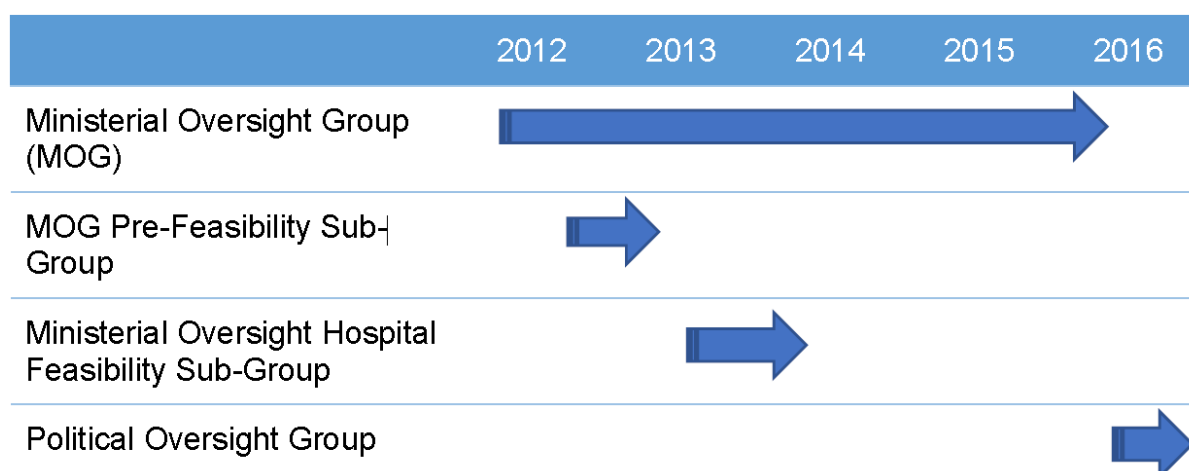
### Problems with past political oversight

70. In November 2017, the Comptroller and Auditor General (C&AG) published a report looking at the decision making around site selection for the future hospital.<sup>45</sup> The report looked at the role of Ministers and Officers in this process. The role of Ministers is of particular interest to us given the establishment and influence of the Policy Development Board.

71. In her report, the C&AG highlights that no single Minister was entrusted with this project and that the States Assembly had charged the Council of Ministers with bringing forward proposals. She highlighted that the nature and scale of the project meant that different Ministers had a direct interest in the project. This included the Minister for Health and Social Services, the Minister for Infrastructure, the Minister for Treasury and Resources and the Minister for the Environment.<sup>46</sup>

72. The C&AG stated that in these circumstances it was appropriate to put an alternative governance structure outside of the Council of Ministers to help them receive and consider information. The C&AG set these governance structures out in the diagram which we have included below.

Diagram 1: Ministerial arrangements for the Future Hospital 2012-2016



Source: Office of the Comptroller and Auditor General, [Decision Making: Selecting a Site for the Future Hospital \(March 2012 - February 2016\)](#), 23 November 2017, p7

73. The C&AG highlighted several concerns with these arrangements and stated:

*Political leadership is vital for major projects. I am concerned that for the period of nearly four years covered by this review effective arrangements for*

<sup>45</sup> Office of the Comptroller and Auditor General, [Decision Making: Selecting a Site for the Future Hospital \(March 2012 - February 2016\)](#), 23 November 2017

<sup>46</sup> Office of the Comptroller and Auditor General, [Decision Making: Selecting a Site for the Future Hospital \(March 2012 - February 2016\)](#), 23 November 2017, p7

*political oversight of site selection were not in place. In my view officers should have done more in this period to promote improved arrangements.*<sup>47</sup>

74. The C&AG reported that a new Political Oversight Group had subsequently been established which had improved governance arrangements. The C&AG stated, “I welcome the arrangements that have now been put in place”.

75. In relation to political oversight, the C&AG concluded:

*10.1 High quality decision making is a pre-requisite for securing value for money. The choice of site for the Future Hospital was one of the biggest decisions that the States have faced in recent years. It is both complex and contentious. I therefore selected that decision as a focus for my work.*

*10.4 There were weaknesses in the decision making process for the selection of the site for the Future Hospital during the period covered by this review.*

*10.5 Firstly, I have identified the need for clear structures, roles and responsibilities to facilitate effective decision making. I am concerned that elements of structures, roles and responsibilities may not have been developed adequately to reflect the requirements of Ministerial government.*

*10.6 In particular, I have highlighted:*

- *the need for clarity on the overall decision making process;*
- *the importance of clearly articulated and unambiguous roles for Ministerial groups accompanied by clear reporting lines; [...]*
- *the importance of effective leadership of major projects by client departments;*
- *the need to develop effective programme management arrangements and integration of project management into those wider arrangements; and*
- *the importance of clearly articulated and unambiguous roles for the Project Board and its members, consistently applied.*<sup>48</sup>

76. On the basis of these conclusions the C&AG recommended:

***Decision making arrangements: Ministers***

*R2 For all major projects, establish at the outset clear and effective arrangements for political oversight, including:*

- *compact and focused groups established for political oversight; and*

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<sup>47</sup> Office of the Comptroller and Auditor General, [Decision Making: Selecting a Site for the Future Hospital \(March 2012 - February 2016\)](#), 23 November 2017, p9

<sup>48</sup> Office of the Comptroller and Auditor General, [Decision Making: Selecting a Site for the Future Hospital \(March 2012 - February 2016\)](#), 23 November 2017, p34

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- *Terms of Reference for such groups that include responsibilities for reporting.*<sup>49</sup>

### Uncertainty over current and future political oversight

77. Following the May 2018 General Election it was not clear whether a new Political Oversight Group had been re-established. The Chief Minister confirmed during our public hearing that the Oversight Group had not been re-established.<sup>50</sup> He said that whether it is re-established depends on the Policy Development Board's report. He said that, "If the project carries on, yes, there will be something we put back in its place". For the time being though, the Chief Minister stated:

*The present structure, as I understood it, is the political responsibility is ultimately as a capital project sitting with the Minister for D.f.I. (Department for Infrastructure).*

*[The Future Hospital Team] are answerable to the Minister for Infrastructure. It is now a capital project, is it like any other capital project in how it has been put together, they are not changing things particularly, as far as I am aware, so it is going through that normal process. But you are right from the point of view of wanting to get through where we are, what the position is on planning permission, and there will need to be ... we will want to put something back in its place and might just look at how that comes together. But basically I want to see what the position is on the planning permission and the outcomes of the work by the Policy Development Board before we have yet another group seeing where it is going. There is political oversight which is at the D.f.I. level.*<sup>51</sup>

78. The question of political oversight has been complicated by the establishment of the Policy Development Board. This was chaired by the Assistant Chief Minister and included the Minister for Health and Social Services among its membership – the 'client' of the future hospital and therefore one of the most important stakeholders in this process.

79. It was reported in the Jersey Evening Post on 17 January 2019 that the Chief Minister had written to all States Members confirming that he had halted work on the future hospital project until the Council of Ministers decided on the next steps for the project.<sup>52</sup>

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<sup>49</sup> Office of the Comptroller and Auditor General, [Decision Making: Selecting a Site for the Future Hospital \(March 2012 - February 2016\)](#), 23 November 2017, p39

<sup>50</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p29

<sup>51</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p28-29

<sup>52</sup> Jersey Evening Post, [Work on hospital project is suspended](#), 17 January 2019



**KEY FINDING 5:** The Comptroller and Auditor General (C&AG) has highlighted that political leadership is vital for major projects. Prior to the May 2018 General Election, the future hospital project was overseen by a Political Oversight Group. Following the election these arrangements have not been put in place. In fact, political oversight has become more complex and confused as a result of the establishment of the Policy Development Board. It was a serious failure not to have established a Political Oversight Group for this major infrastructure project as soon as possible after the Council of Ministers was established after the election.

**RECOMMENDATION 1:** The Council of Ministers should establish a Political Oversight Group for the future hospital project immediately and publish its membership, terms of reference and reporting lines. The Policy Development Board looking at the hospital site cannot be considered an oversight group in light of its terms of reference.

## 5. Policy Development Board

### Establishment

80. Prior to his election as Chief Minister, John Le Fondré stated that he would establish Policy Development Boards (PDBs) which would support greater involvement of States Members in the policy development process.<sup>53</sup> Following his election as Chief Minister, the Government published overarching terms of reference for Policy Development Boards.<sup>54</sup> Subsequent terms of reference were published for the first Policy Development Board looking at the future hospital site.<sup>55</sup>

81. The overarching terms of reference stated that Policy Boards could be set up with agreement or at the request of the Chief Minister. When we questioned the Chief Minister in a public hearing he said that it was his initiative but that the CoM had endorsed PDB's in general.<sup>56</sup>

82. The Chief Minister suggested that there were two reasons for establishing the Policy Development Board. The first was as a result of a political commitment to review the hospital site. The Chief Minister said that this commitment was made by the former Chief Minister during a Parish hustings event:

*The previous Chief Minister in the hustings at, I believe, St. Lawrence stood up and said, in answer to a question: "I would expect any future Minister for Health to bring back a proposition to the States should it be approved by the planning permission." I do not think that is a verbatim quote, you will have to go back and look at the video links. I think it is that hustings but was broadly speaking what was said.<sup>57</sup>*

83. The second reason was because of public concern raised during the May 2018 General Election. The Chief Minister said:

*Standing back from it, you have had the new elections. There was significant public concern expressed during those elections. Certainly I would suggest we would all have experienced that on the door-knocking or in the hustings.*

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<sup>53</sup> States of Jersey Order Paper, [Election of Chief Minister designate](#), June 2018

<sup>54</sup> States of Jersey, [Policy Development Boards – Terms of Reference](#), July 2018

<sup>55</sup> States of Jersey, [Policy Development Board Review of the New Hospital: Project Scope](#), July 2018

<sup>56</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p7-8

<sup>57</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p33-34

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*Therefore I do not think you can just not do anything in terms of satisfying ourselves that the right decision was made. [...].<sup>58</sup>*

84. We highlighted statements the Chief Minister made during the 2017 future hospital planning inquiry where he indicated that the Waterfront was his preferred site for the future hospital.<sup>59</sup> The Chief Minister stressed the difference between his personal view and the view of the Council of Ministers which was still to be decided. He said that his personal view remains the same and that he still had concerns in relation to cost and disturbance. He also said that he was “agnostic” about alternative sites.<sup>60</sup> He stated:

*Let us make it very clear between personal view and what might be the view of the Ministers. Ultimately, the Council of Ministers will obviously have to have quite a significant discussion from the outcome of Constable Taylor’s board and obviously what happens with the planning permission. [...] My personal view remains unchanged, I think, in that I remain concerned. It is always a combination of cost versus disturbance. [...].<sup>61</sup>*

**KEY FINDING 6:** The case for establishing a Policy Development Board to look at the future hospital project is sound in principle. The Chief Minister is correct in identifying that the location of the current site is contentious among some people. There are merits to relooking at how the States Assembly arrived at the decision to locate the hospital on the current site.

## Membership

85. In the overarching terms of reference it stated that membership of a Policy Board will be confirmed by the Chief Minister. Membership itself could include Ministers, back benchers and lay members “with a view to securing a balanced and focused membership”. In the case of the Policy Development Board looking at the hospital site, the Chief Minister said that he formulated the team in conjunction with the Assistant Chief Minister, Connétable Christopher Taylor. Commenting on the process the Chief Minister said:

*In future I will say I would envisage that there will be a bit more constructive process but bear in mind this is the first one in which I hit the ground running. It is a case of getting it done.<sup>62</sup>*

86. The Assistant Chief Minister said that he was confident as a Board that he had a good cross-section of the States Assembly in order to give a balanced view on the future hospital.<sup>63</sup> In the minutes of the first Policy Development Board meeting, members were asked to declare their interests. Of the members present only Deputy Richard Renouf, Minister for Health and Social Services was in favour of the current site. Deputy Carina Alves and Connétable Richard Buchanan had not joined the Board by the first meeting and so did not declare their interests. The Boards minutes state:

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<sup>58</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p16

<sup>59</sup> Future jersey hospital public inquiry, Inquiry documents list, [SOC67 Statement of Case by Deputy John Le Fondre](#), 2017

<sup>60</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p15

<sup>61</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p5

<sup>62</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p13-14

<sup>63</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p14

*CT: Stated the Waterfront was his favourite site but that we was coming to the board with an open mind and emphasised the importance of only making decisions on evidence.*

*TP: Highlighted that he had previously written that the current site was not appropriate in his election manifesto.*

*RR: Stated that he had previously sat on, and chaired health scrutiny panels. Also that he had previously defended the decision to build the Future Hospital on the current site. Still believes the current site is the best site but will only listen to evidence on other sites and the process that was followed in coming to the decision.*

*RH: Highlighted that he had attended the previous planning enquiry and spoke to give evidence that the states were misled in the enquiry. Evidence for this was also taken to the Commissioner of Standards. Despite never voicing an opinion on a favourite site does not believe the current site would be the best, fastest and cheapest solution. Also explained how at hustings he had held a poll to see what the view on the hospital site was. Also has previously written countless letters to states members with Bruce Willing and Nigel Broomfield.<sup>64</sup>*

87. During our public hearing, the Assistant Chief Minister explained his views on the current site in more detail emphasising that he had tried to remain neutral:

*I have not said I am not in favour of going ahead with the site. I have expressed personal opinions but I am trying to remain as neutral as I can as chairman of the board. I do not believe I have expressed publicly opinions that it should not be on the current site. I do have obviously opinions going back, as the Chief Minister has. The original waterfront site, and it is no big secret, I made it in my proposition, it is £20 million cheaper. It is less disruptive and I believe, at that time, it was a better site, but one has to go with the majority. That is what I did. That is what I have supported.<sup>65</sup>*

88. In addition to members pre-existing views on the future hospital there was also some concern about comments from the Assistant Chief Minister reported in the media. In comments made to the Jersey Evening Post on the 3 September 2018, Connétable Christopher Taylor is reported to have said:

*Evidence showing that other sites are better appears to have been intentionally ignored. There does seem to be a pattern emerging and we are in a position where we have concerns. [...] We are now calling for more evidence. We are planning to send a survey to people who work in the hospital, including consultants, doctors, nurses and midwives. [...] At long last members of the medical profession are coming out and speaking against the current site. We really want the opinions of everyone in the hospital.<sup>66</sup>*

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<sup>64</sup> States of Jersey, [Project Board – Hospital Review Minutes](#), 20 July 2018

<sup>65</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p15-16

<sup>66</sup> Jersey Evening Post, [Hospital evidence ignored in favour of current site?](#), 3 September 2018

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89. During our public hearing, the Assistant Chief Minister said that “intentionally” was not his word but maintained that “there is evidence, which will be in the report, that some evidence was not made freely available”. With regard to the Future Hospital Team, the Assistant Chief Minister said that they were “very dedicated, they are very hardworking and they are doing an exceptional job”.<sup>67</sup>

**KEY FINDING 7:** We are very concerned that a significant proportion of the membership of the Policy Development Board was biased, from the outset, against the current proposals to locate the future hospital on the current site.

## Interaction with scrutiny

90. The overarching terms of reference stated that a Non-Executive States member can only participate in a Board if that member is already a member of Scrutiny. However, this must not be a member “which would ordinarily be scrutinising the policy developed by the Board”. It goes on to require that Board Chairs confer with Panel Chairs to “ensure this approach works”. Any other conflict of interests should be declared and resolved in discussion with the Chief Minister, Chair of the Board, and/or Scrutiny Panel Chairman.

91. On 16 July 2018, the President of the Chairmen’s Committee wrote to the Chief Minister expressing concerns about the formation of the Policy Development Board. The letter stated:

*In relation to the Hospital PDB the Committee has identified a number of significant issues, including:*

- *The Committee’s agreement that both Deputy Huelin (PAC) and Deputy Pointon (Health and Social Security Panel) are conflicted according to your overarching term of reference 4, compromising their Scrutiny roles and the work of their Panel/Committee*
- *The potential ‘drain’ this Board has on Scrutiny Member resources*
- *The resemblance of the Hospital PDB and its proposed work and processes to a Scrutiny Panel/PAC, and the confusion this introduces into the machinery of government*
- *The undermining of the work of the formally mandated Future Hospital Review Panel*

92. The letter asked the Chief Minister to reconsider the formation of the Policy Development Board. The Chairmen’s Committee believed that, “the nature of the work it proposes to undertake is more appropriately a matter for Scrutiny, in this case the well-established Future Hospital Review Panel”.<sup>68</sup>

93. The Chairman of the Policy Development Board made no formal approach to the Health and Social Security Panel or this Review Panel in order to try and seek a solution to the Chairmen’s Committee’s concerns.

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<sup>67</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p28

<sup>68</sup> Chairmen’s Committee, [Letter to Chief Minister regarding Policy Development Boards](#), 16 July 2018

**KEY FINDING 8:** The original aim of Policy Development Boards was to support policy development. The Board looking at the hospital choose to review the evidential basis of past decision making. We believe that this backwards looking work is something that is better suited to Scrutiny. Having this work undertaken by Scrutiny would be less confusing for the public. This served to blur the lines between the Executive and Scrutiny. We are disappointed that the Chief Minister has not made more effort to address our concerns.

**RECOMMENDATION 2:** The Chief Minister and the President of the Chairmen's Committee should come to an agreed understanding about the relationship between Policy Development Boards and Scrutiny. The understanding should ensure that Policy Development Boards do not compromise the work of Scrutiny.

## Governance

94. During the public hearing we held with the Chief Minister and the Assistant Chief Minister we sought assurances around the governance of the Policy Development Board. The Board may have significant influence over the final decision on where to site the future hospital. As a Scrutiny Panel we wanted to make sure that the general public and States Members could have confidence in the Board's final conclusions and recommendations.

95. Following the publication of the Board's report, the Minister for Health and Social Services published a minority report in which he reflected on some of the governance arrangements associated with the Board. We have included some of these observations below as they do not always align with the account provided by the Chief Minister and the Assistant Chief Minister.

## Aims and objectives

96. The Policy Development Board's original terms of reference were:

*To consider the available evidence in relation to the decision of the previous States Assembly to support the proposal of the Council of Ministers that the new hospital be located on the existing site, and to do this so with a view to providing assurance over this decision, or raising any issues of concern in relation to the evidence that led to this decision.<sup>69</sup>*

97. During our public hearing, the Assistant Chief Minister described how this evidential approach was working in practice. He said:

*The aims were to factually check the decision making. To look at the decisions that had been made and to make sure that the decisions made were supported by evidence.<sup>70</sup>*

[...]

*It is a matter of going through the ministerial oversight group minutes, where a decision was made, find the evidence that supported that decision. Find out was there any evidence that supported that decision or not. If there is,*

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<sup>69</sup> States of Jersey, [Policy Development Boards – Terms of Reference](#), July 2018

<sup>70</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p12

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*to examine it, to see if that was a decision supported by the evidence or whether there is no evidence at all. So that is our process.*<sup>71</sup>

98. However, the Minister for Health and Social Services was highly critical of the process adopted by the Policy Development Board in his minority report. He stated that the way the Policy Development Board went about its task was “deeply unsatisfactory”.<sup>72</sup> The Minister highlighted concerns that the Policy Development Board:

*“Has not focused on providing assurance over the decision of the previous States Assembly [...]. Instead it has sought evidence, particularly from external parties, that is concerned with whether they agree with the decision or not”.*

*“Has not focused on determining what might be considered evidence relating to the decision [...]. Instead they have to a large extent heard ‘opinions’ and ‘views’ about the merits of the decision”.*

*“Has not confined its work to matters described in the terms of reference [...]. Instead they have considered topics not related to this decision”.*<sup>73</sup>

**KEY FINDING 9:** We are troubled that there appear to be two competing accounts of how the Policy Development Board viewed its task.

### Operation of the Board

99. The overarching terms of reference for Policy Boards provide some information about how they should operate. For example, the formation of Boards will be recorded by Ministerial Decision and the Council of Ministers, States Members and the general public informed. The terms of reference, including purpose, timescales and membership will be set by each Board and confirmed by the Chief Minister. Boards will be supported by officials to the same standards as officials would apply in supporting individual Ministers. Minutes of Board meetings will be taken and any advice will be published, subject to any exemptions.<sup>74</sup>
100. During our public hearing we sought more detail about how the Board was operating. The Assistant Chief Minister confirmed that the Policy Development Board’s terms of reference were agreed by the Board as a whole.<sup>75</sup> Board minutes were published online, once they have been signed off.<sup>76</sup>
101. In terms of evidence gathering, the Board “interviewed” everyone who asked to be interviewed or had been “listed” by the officer. The Board had not sought additional input from experts or specialists because “there was no point in reinventing the wheel and having another specialist come and advise us what the other specialists had already

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<sup>71</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p16

<sup>72</sup> States of Jersey, Hospital Policy Development Board: Review of evidence to build a new hospital on the current site, [Response of the Minister for Health and Social Services](#), November 2018, p2

<sup>73</sup> States of Jersey, Hospital Policy Development Board: Review of evidence to build a new hospital on the current site, [Response of the Minister for Health and Social Services](#), November 2018, p1

<sup>74</sup> States of Jersey, [Policy Development Boards – Terms of Reference](#), July 2018

<sup>75</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p13

<sup>76</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p17

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said”.<sup>77</sup> The Assistant Chief Minister also told us that the Board had “gone through mountains of paperwork”.<sup>78</sup>

102. The Assistant Chief Minister said that the budget for the Policy Development Board was “loosely £150,000” which came from the future hospital budget. The Chief Minister said that the Board was “nowhere near that spend” and that the amount spent was closer to £10,000 although the Minister could not provide us with a precise figure.<sup>79</sup>

103. In his minority report, the Minister for Health and Social Services made several observations about how the Policy Development Board operated. He stated:

*As a Board, we operated very differently to a Scrutiny Panel. In contrast to my experience of scrutiny, I found that meetings of the Board were unstructured, there was no agreed understanding of why particular persons were asked to appear before the Board, no question plans were prepared and there was little or no discussion following the presentation of evidence. On occasions members of the Board decided to meet without an officer being present.*

[...]

*This is not a criticism of other Board members, recognising that the governance arrangements for Policy Development Boards are still ‘work in progress’ but I would hope that governance can soon be reviewed and refined for the benefit of future Boards.<sup>80</sup>*

**KEY FINDING 10:** We have serious concerns about the quality and robustness of the Policy Development Board’s governance arrangements. We are not satisfied that the governance processes and procedures were good enough for a Government-led group of politicians.

## Evidence

104. The main new evidence that the Policy Development Board produced as part of its work was a survey of hospital staff. In relation to this, the Board stated:

*The Board recognised, through informal sources, that some of the staff of the Hospital felt that they had not been engaged on the future plans for the hospital. In addition, some Board members had also received information directly from some staff to say that they had witnessed some forms of bullying and that they were ‘gagged’ from providing their views.<sup>81</sup>*

105. The Board wanted to establish and assess the views of the staff on a number of key questions including which site they prefer for a new hospital and why. The Board commissioned 4insight to conduct the survey. As part of the survey respondents had to include their pay role number and other attributable data. The Board stated:

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<sup>77</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p16

<sup>78</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p18

<sup>79</sup> Public hearing with the [Chief Minister](#), 19 October 2018, p18

<sup>80</sup> States of Jersey, Hospital Policy Development Board: Review of evidence to build a new hospital on the current site, [Response of the Minister for Health and Social Services](#), November 2018, p4

<sup>81</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p41

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*All staff were assured that all their data was anonymous and non-identifiable, although some profiling data such, as broad role; years of service (grouped); current working location; and parish they live in; were collected for purposes of analysis.*

*Payroll number was able to be attributed to results only by 4insight (this data was not able to be linked to any further information not collected through the survey and was only used for research and analytical purposes). This attributed data was not and has not been shared outside of 4insight other than in anonymising group sizes.<sup>82</sup>*

106. In total 714 members of staff (22%) responded to the survey. In relation to the response rate, the Board said that it did “recognise that the response rate of 22% is low but the outcome from those responding to the hospital survey was, nonetheless, very clear and sound”.<sup>83</sup> 82% of respondents said that they wanted the future hospital to be built on a different site and 10% on the existing site. The results show that 35% of the respondents who wanted the hospital to be built on a different site chose People’s Park as their preferred site. However, there was clearly no overall consensus on where the hospital should go with 10% suggesting Overdale, 17% suggesting St Savious Hospital, 9% Warwick Farm, 13% preferring the waterfront and 5% suggesting another site and 8% saying they didn’t know.<sup>84</sup>

**KEY FINDING 11:** We note that the 22% response rate to the Policy Development Boards staff survey was low. While 82% of respondents said that the hospital should be built on an alternative site, there was no consensus on where it should go.

**KEY FINDING 12:** While it is very important that clinician’s views on the future hospital are taken into account, we feel that their use by the Policy Development Board and others has been unhelpful and divisive to the overall debate around the future hospital.

## Report

107. The Policy Development Board reached a number of conclusions in its final report. Arguably, the most important is finding 8 – Conclusions which states:

*The majority\* of the Board, is not assured that overall the available evidence in relation to the decision of the previous States Assembly supports the proposal of the Council of Ministers that the new hospital be located on the existing site.<sup>85</sup>*

108. The conclusion section which accompanies this finding suggests that the Board supports rejecting the current site and supporting looking for an alternative site. The Board states, for example:

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<sup>82</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p41

<sup>83</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p41

<sup>84</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p112

<sup>85</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p70-71



*The Board recognises that any delay in building the new hospital will have some consequences, but these should be put into the context of this ‘once in a lifetime’ opportunity of providing a truly outstanding hospital facility that the island can support and be proud of.*

*The majority of the Board is of the opinion that if an alternative site is selected as the new way forward, then the risks of delay are more than outweighed by the benefits that would be rewarded to this island in choosing the right site. [...].*

*[...] [Clinical] staff deserve to be able to operate within a new building that is fully fit for purpose over the long term and the majority of the Board members are of the firm belief that the hospital should be able to support all of the key health services and not just be focussed on acute services.*

*[...] a revised planning application has been submitted on a larger site area by acquiring additional properties, but the majority of the Board are of the opinion that some of these physical constraints are still relevant. To this end they consider that the current proposed site is not best suited to delivering a fully comprehensive health service provision that respects the strategic direction of P.82 [...].<sup>86</sup>*

109. We note that the Policy Development Board did acknowledge that a hospital could be built on the current site:

*Should, however, the States maintains the decision to use of the current site, the Board recognises that, although not the optimum solution, it could deliver an acute general hospital facility as approved by the States in P.110/2016, provided that the community-based care strategies, as envisaged in P.82/2012, are fully resourced and delivered, and that patient risks from building on an existing site are fully managed and mitigated.<sup>87</sup>*

110. In his minority report, the Minister for Health and Social Services reiterated his view that the Policy Development Board’s conclusions were made on the basis of views and opinions rather than a review of evidence. As a result, he stated in his conclusion that States Members who vote to reverse the decision of the previous States Assembly should be prepared to say they are doing so for political reasons rather than on any evidential basis. He stated:

*The Chief Minister has promised a further States debate on the location of our new hospital. Should States members decide to reverse the decision of the previous Assembly, they are free to do so, but they should be prepared to say they are doing so for political reasons rather than on any evidential basis. They would need to be very mindful of the consequences of such a decision, particularly in the light of the serious risks to patient safety in the 10 year delay before a new hospital would be ready.*

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<sup>86</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p71

<sup>87</sup> States of Jersey, [Hospital Policy Development Board: Review of evidence to build a new hospital on the existing site](#), November 2018, p12

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*But notwithstanding the different levels of assurance among Board members, we have all agreed that the approved site could deliver a hospital which is safe, sustainable and affordable. Subject to the imminent planning decision, it is set to go and can begin to provide new healthcare facilities for Islanders as soon as 2021. Why would we not give it the green light? Jersey could soon be proud of the new hospital it has planned for many years if only we resolve to complete what we have begun.*

**KEY FINDING 13:** In our view the poor governance arrangements associated with the Policy Development Board serve to undermine the Board's final report and significantly weaken its findings and recommendations.

**KEY FINDING 14:** The Policy Development Board was originally set up to review the evidential basis of past decision making in relation to the future hospital site. It has extended beyond its original terms of reference by exploring alternative site selection scenarios.

**KEY FINDING 15:** We note that despite support for rejecting the preferred site and finding an alternative site, the Policy Development Board has acknowledge that the current site could deliver an acute general hospital facility as approved by the States.

## Subsequent developments

111. In December 2018, we were approached by a group of individuals who wanted to meet with us to discuss issues with the future hospital. The group said that the Assistant Chief Minister, Connétable Christopher Taylor, suggested that the group meet with us in order to explore a different approach should the Gloucester Street option for Jersey's new hospital be turned down.

112. We held a private meeting with the group on 17 December 2018. At the meeting, the group set out two proposals. They highlighted an architectural firm in France, AIA Life Designers, who had been involved in building a hospital near Plérin. The group proposed that we should undertake a visit to Plérin to meet with the firm. The group offered to organise the trip and accompany us to assist with translation. We decided to decline the offer to visit Plérin.

113. The group also wanted to explore whether we could assist in the site selection process. The group proposed that we should undertake a feasibility study of alternative hospital sites. This would focus on 4 sites: the Waterfront, Overdale, Warwick Farm and St Saviours Hospital. The group said that AIA Life Designers, which had already visited Jersey to look at the sites, could undertake this feasibility study at a cost of £75,000. It would take 2 months from the date of being commissioned. The group handed us a letter from AIA Life Designers which repeated the proposal.<sup>88</sup>

114. In January 2019, we wrote to AIA Life Designers stating:

*As a States Assembly Scrutiny Panel, our role is to impartially scrutinise the Government's progress towards delivering the future hospital project and to ensure that it will meet the needs of patients and clinicians.*

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<sup>88</sup> [Letter](#) from AIA Life Designers to Future Hospital Review Panel, 14 December 2018

*With this in mind, we do not think it would be appropriate for the Scrutiny Panel to commission this work as it constitutes policy development. It is therefore a matter for the Government rather than for Scrutiny.<sup>89</sup>*

**KEY FINDING 16:** The group of individuals we met to discuss the future hospital were credible, had strongly held concerns about the preferred site for the future hospital and were seeking to find an alternative solution. However, the governance arrangements around their proposal for us to undertake a feasibility study of alternative hospital sites was totally unacceptable to a Scrutiny Panel.

115. The group argued that on the basis of what they had learnt from the experience of AIA Life Designers that Jersey's future hospital could be built in four years for roughly £250 million. This estimate was contingent on the future hospital being built on a "clear" site. The estimate was based on the hospital in Plérin which they claimed had been built for £90 million. To arrive at the high figure the group had doubled the cost of the Plérin hospital and taken account of the shipping of materials and workers' temporary accommodation.

116. Following our meeting with the group, it was reported in the media in January 2019 that the French firm had visited Jersey, and claims were made that it could build a new hospital in Jersey for as low as £90 million.<sup>90</sup> The report said that the Assistant Chief Minister had met with the firm in Plérin in November 2018 to hear their plans. On the 24 January an ITV report highlighted plans to build Jersey's new hospital at Overdale. The article reported that the plans were being led by the Assistant Chief Minister. The report stated:

*The plans would see part of the main building sunk into the valley which leads down to the inner road, to reduce the impact on the skyline.*

*Opposite the existing Overdale entrance is a field which has been earmarked for up to 80 affordable homes for health workers.*

*The George V Cottages housing development, operated by Andium Homes, would be demolished to make way for a new entrance, with a multi-storey car park built in the valley behind.*

*The project is being led by Assistant Chief Minister Chris Taylor who believes there is a majority of support within the Council of Ministers, and growing support among States Members.*

*His aim is to begin a process of evaluating 'three or four' sites as part of a formal due diligence process which he then expects to demonstrate the viability of Overdale.*

*[...]*

*Constable Taylor expects the new hospital to cost less than the current project, which has a price tag of £466 million.*

*He believes the project could begin 'before the end of this year' if previous public and political opposition which has dogged other attempts to begin*

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<sup>89</sup> [Letter](#) from Future Hospital Review Panel to AIA Life Designers, 14 December 2018

<sup>90</sup> Jersey Evening Post, *French architects visit potential hospital sites*, 9 January 2019

*hospital construction are avoided. He told ITV News 'bad PR' was part of the problem in previous years.<sup>91</sup>*

117. We note that in 2015, a Site Options Appraisal was undertaken by Gleeds Management Service, the then Lead Advisor to the Future Hospital project, to review the viability of four site options proposed for the location of the new general hospital. The appraisal included the Overdale site proposed by the Assistant Chief Minister. The report found that the capital cost of building at Overdale was likely to be £434 million.<sup>92</sup> The capital costs of all four of the sites Gleeds appraised were estimated at over £400 million. The methodology for calculating the indicative costs was assured by an EY assurance team.

**KEY FINDING 17:** We are very surprised to see reports in the media of the Assistant Chief Minister supporting Overdale as a new preferred site for the future hospital prior to a new site feasibility study being undertaken.

**KEY FINDING 18:** We do not think that media reports which suggested that a future hospital could be built in Jersey for between £90 and £250 million are credible. Previous site option appraisals, carried out by specialist construction consultants in 2015, estimated capital costs of building a new hospital at a range of sites in Jersey at over £400 million.

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<sup>91</sup> ITV, *Exclusive: Plans to build Jersey's new hospital at Overdale*, 24 January 2019

<sup>92</sup> Gleeds Management Services Ltd, [Site Options Appraisal](#), April 2015, p53

## 6. Planning Decision on Future Hospital

118. In December 2018, the Planning Inspector who led the Public Inquiry into the future hospital planning application handed his report to the Minister for the Environment.<sup>93</sup> The Planning Inspector recommended that the Minister:

*That, unless the Minister considers that there is a public interest benefit that provides a sufficient justification for making a decision which is inconsistent with the Island Plan, planning permission should be REFUSED [...].<sup>94</sup>*

119. The Planning Inspector highlighted three main reasons for his recommendation including impacts on Heritage, residential amenity and the townscape.

120. In considering whether there was sufficient justification for departing from the Island Plan, the Planning Inspector stated:

*396. These findings lead to the consideration, as the Law allows, of whether there is 'sufficient justification' to depart from the provisions of the Island Plan. What constitutes a sufficient justification for overriding the Plan's provisions is not defined, but there can be little doubt that providing a much needed new hospital to serve Jersey's population could provide such a 'public interest' justification.*

*397. However, it is not appropriate for a Planning Inspector to make that assessment, as it has become a matter that is now inextricably political. What I can say is that the current scheme is far superior to the first scheme. The Applicant's team has worked hard to produce a calmer, more sophisticated and refined proposal but, despite the progress, significant Planning harm would still result. What I cannot say is whether there is sufficient justification for accepting the identified Planning harm and departing from the provisions of the Island Plan, or whether other site / brief options should be revisited. Those are political assessments and decisions on this critically important, once in a generation project.*

121. In his decision on 14 January 2019, the Minister for the Environment noted the Planning Inspector's invitation to consider whether there is sufficient justification, in the public interest, for accepting the significant planning harm and conflicts with the Island Plan, to grant Outline planning permission. In response to this invitation, the Minister stated in his decision:

*The Minister received and considered officer advice, consistent with that provided to the Applicant and to the Public Inquiry. He agreed with officers, who considered that there is a well-evidenced and undisputed need for a new hospital, which is in the Island's interest. The Minister noted that officers considered that this need, combined with the many other Planning benefits of the development, would be sufficient to outweigh the negative Planning*

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<sup>93</sup> States of Jersey, [Future General Hospital: Public Inquiry Decision: PP/2018/0507: Inspector's Report](#), 10 December 2019

<sup>94</sup> States of Jersey, [Future General Hospital: Public Inquiry Decision: PP/2018/0507: Inspector's Report](#), 10 December 2019, p88

*impacts of the proposal and lead to a decision to approve the Outline application.*

*However, the Minister was clear that the Inspector had weighed up the negative and positive aspects of the proposal in coming to his recommendation, and the Inspector stated that to make a decision in the public interest, which is inconsistent with the Island Plan, would be a political one.*

*The Minister considered that the serious impacts of the proposed development on the residential amenity of its neighbours, the general townscape and on heritage assets were unacceptable, particularly as the Inspector indicated that alternative sites were available. For this application, the Minister was unable to conclude that there existed an overriding public interest benefit which provides sufficient justification for making a decision which is inconsistent with the Island Plan. Additionally, the Minister considered that there was no reliable evidence of the length of delay involved, were the States of Jersey to consider alternative options.<sup>95</sup>*

122. In response to the Minister for the Environment's decision, the Minister for Health and Social Services and the Minister for Infrastructure issued a joint statement stating that they remained, "committed to delivering a new hospital for Jersey and welcome the independent inspector's conclusion that the case for the new hospital is compelling".<sup>96</sup>

123. During our hearing with the Minister for the Environment, he recognised the need for a new hospital but he highlighted that the Island Plan did not make provision for major infrastructure, which was a problem. He compared Jersey's hospital project to the UK's high speed rail project or Heathrow Airport expansion. The Minister said that planning laws in the UK make provision for these major projects.<sup>97</sup>

124. The Minister highlighted the distinction between the planning decision and the political decision of whether to override planning concerns because of the public interest of the need for a new hospital. The Minister said that he did not think that the final political decision should rest with the Minister for the Environment. The Minister said that under the Planning Law he was prevented from consulting with other ministerial colleagues.<sup>98</sup> He said that he was exploring the potential to find a new process under the law in which the States could make a final decision.<sup>99</sup>

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<sup>95</sup> States of Jersey, [New General Hospital: Public Inquiry Decision: PP/2018/0507](#), 14 January 2019

<sup>96</sup> State of Jersey, [News Release: Ministers respond to hospital planning decision](#), 14 January 2019

<sup>97</sup> Private hearing with [Minister for the Environment](#), 25 January 2019, p11

<sup>98</sup> Private hearing with [Minister for the Environment](#), 25 January 2019, p33

<sup>99</sup> Private hearing with [Minister for the Environment](#), 25 January 2019, p22-23, 38

**KEY FINDING 19:** While the Planning Inspector recommended that the Minister for the Environment reject the planning application in planning terms he invited the Minister to consider whether there was sufficient justification to accept the application in light of the benefits that would be provided by a new hospital. The Minister decided that there was not sufficient justification.

**KEY FINDING 20:** The Planning Law requires that the Minister for the Environment should make the final decision on a planning application. The Minister is able to receive advice from Officials – who in this instance recommended that the Minister accept the application - but not to consult with other ministerial colleagues. We believe that this situation is unacceptable in this context. The decision to reject the planning application for the future hospital was ultimately a political decision. In light of this, the ultimate decision should rest with the States Assembly.

**RECOMMENDATION 3:** The Planning Law should be reviewed with a view to changing who has the ultimate responsibility for approving or rejecting a major infrastructure project so that it lies with the States Assembly rather than with the Minister for the Environment.

### Consideration of alternative sites

125. On 11 July 2018, the States adopted proposition P.90/2018, “Future Hospital: Public Inquiry – Terms of Reference”, which sought to allow the Planning Inspector to consider alternative sites, if necessary and appropriate at the Public Inquiry.<sup>100</sup>

126. In the Planning Inspector’s report, he stated that extending the Inquiry terms and the work of the Policy Development Board, “combine to open the door to matters that are not only controversial, but are also inherently political”.<sup>101</sup> He said that in normal circumstances the consideration of alternative sites would not be (legally) relevant or necessary. He stated:

*However, the type and scale of development proposed by this application is of Island-wide significance. Whilst a new hospital is clearly desirable in itself, I have identified (in earlier sections of this report) conspicuous adverse Planning impacts that will arise from the current proposal. It is a fact that a number of potential alternative sites do exist and are widely known. It is also the case that the robustness of the States’ site selection process has now been openly questioned by a review body set up by the States itself. It is quite an extraordinary muddle.*

127. In the circumstances, the Planning Inspector said that he did think a high level Planning assessment of the front running alternative sites is relevant and appropriate to assist in providing the Minister with an informed report.

128. The Planning Inspector stated:

*My assessment is that, in Planning terms, there is not one ‘stand out’ alternative site option that would be clearly superior in Planning terms. However, there are a number of realistic alternative site options that could physically accommodate the new hospital. Clearly, each of these would avoid, or at least radically reduce, the adverse demolition / construction*

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<sup>100</sup> States of Jersey, [Future Hospital: Public Inquiry – Terms of Reference](#), P.90/2018, 25 May 2018

<sup>101</sup> States of Jersey, [Future General Hospital: Public Inquiry Decision: PP/2018/0507: Inspector’s Report](#), 10 December 2019, p77

*impacts, including the disruption to the existing hospital. Each would also, rather obviously, avoid the scheme specific Planning harm that I have identified with the current proposal. However, each of the alternatives would come with its own set of significant adverse environmental effects and consequent tensions with the Island Plan.*<sup>102</sup>

129. Furthermore the Planning Inspector stated:

*The initial alternative sites question that I posed was: are there alternative site options that would clearly avoid those adverse effects or substantially reduce them? My finding is that, based on the evidence before me, the answer is 'no'. There is no perfect site, but there are alternatives that could deliver the hospital project with different environmental effects and consequences.*<sup>103</sup>

130. In the Minister's decision he stated:

*The Minister accepted the Inspector's conclusion that the Gloucester Street site remains a sustainable location for a new hospital in broad spatial terms and also accepts that it remains the States of Jersey's preferred site. It would continue the delivery of medical services in an established central and highly accessible location. The Minister agreed with the Inspector's conclusion that the impacts of this current application, set out in the reasons for refusal, are a product of "the site being not quite large enough to comfortably accommodate the proposed scheme". That does not preclude a different application from overcoming these issues in this location. The Minister recognises this decision may lead to more work in order to resolve these issues. The Minister also noted the Inspector's view that, "there is no stand out alternative site option that would be clearly superior in Planning terms". Each alternative site identified would come with a range of different adverse environmental effects and consequences.*<sup>104</sup>

131. In our hearing with the Minister for the Environment, Andrew Scate, Group Director Regulation, Growth, Housing and Environment suggested that, under the current system, a new site selection process would take roughly 3 years to complete.<sup>105</sup> The Minister for the Environment said that he agreed with Mr Scate about the timeframe under the current rules but that he would commit to working with Officers to condense any new site selection process to a year, if the States adopt Deputy Russell Labey's proposal to reject the existing hospital as the preferred site for the future hospital.<sup>106</sup>

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<sup>102</sup> States of Jersey, [Future General Hospital: Public Inquiry Decision: PP/2018/0507: Inspector's Report](#), 10 December 2019, p83

<sup>103</sup> States of Jersey, [Future General Hospital: Public Inquiry Decision: PP/2018/0507: Inspector's Report](#), 10 December 2019, p83

<sup>104</sup> States of Jersey, [New General Hospital: Public Inquiry Decision: PP/2018/0507](#), 14 January 2019

<sup>105</sup> Private hearing with the [Minister for the Environment](#), 25 January 2019, p40

<sup>106</sup> Private hearing with the [Minister for the Environment](#), 25 January 2019, p46



**KEY FINDING 21:** We note the Planning Inspector's comments that in Planning terms, there is not one 'stand out' alternative site option that would be clearly superior. While there are a number of realistic alternative site options that could physically accommodate the new hospital, each of the alternatives would come with its own set of significant adverse environmental effects and consequent tensions with the Island Plan. We believe that a mechanism will need to be found to get the future hospital past the Island Plan. This will need to be done carefully as it could have serious negative implications for other areas of planning.

**RECOMMENDATION 4:** This report has highlighted how poor, or a lack of, political leadership and political decision making has led to poor outcomes in relation to the future hospital. On this basis, the States should not rule out the existing site as a potential site for the future hospital. If the States decides to reopen the question of site selection, the existing site must be included in the new site selection process.

## 7. Conclusion

**KEY FINDING 22:** We believe that States members are presented with two options in relation to proposition P5, Future Hospital: Rescindment of Gloucester Street as preferred site:

**Option 1:** If you think that the process leading to the existing site being selected as the preferred site was flawed, and you think that this justifies reopening the question of site selection, you should vote for the proposition. However, you will be voting to delay the future hospital by at least 10 years as a result.

**Option 2:** Alternatively, if you think that the risks of delaying the future hospital are too great, then you should vote against the proposition.

## Appendix

### Future Hospital Scrutiny Review Panel

132. The following States Members are Members of the Review Panel:

- Deputy Kevin Pamplin (Chairman)
- Deputy Mary Le Hegarat
- Connétable John Le Maistre

### Terms of Reference

133. The Review Panel's terms of reference are to:

- Scrutinise the Council of Ministers progress towards implementing proposition P.107/2017, "Future Hospital: Approval or Preferred Scheme and Funding".
- Ensure that the future hospital will meet the needs of clinicians and patients.
- Consider any future policy or legislation proposed by the Council of Ministers in relation to the future hospital.
- Consider any other issues relevant to the future hospital including the siting of the hospital and any aspects of the design and build of the hospital.

### Public Hearings

134. The Panel held one public hearing and one private hearing as part of its review:

- Public hearing with the Chief Minister and Assistant Chief Minister and Chair of the Policy Development Board looking at the hospital site on 19 October 2018
- Private hearing with the Minister for the Environment on 25 January 2019

135. Transcripts for the public hearings can be accessed via the States Assembly [website](#). Webcasts for the public hearings can be accessed via the States Assembly [webcast site](#).

136. The Review Panel also met with a number of other groups which have been recorded in the Panel's minutes. These can be accessed via the States Assembly [website](#).

