

States of Jersey  
States Assembly



États de Jersey  
Assemblée des États

# Health and Social Security Scrutiny Sub-Panel

## **Future Hospital Project**



Presented to the States on 24th November 2016

S.R.7/2016



## CONTENTS

<b>1. Chairman’s Foreword</b> .....	4
<b>2. Executive Summary</b> .....	5
<b>3. Key Findings</b> .....	7
<b>4. Recommendations</b> .....	9
<b>5. Introduction</b> .....	10
Context and Background .....	10
The Review .....	10
<b>6. Interdependencies</b> .....	11
<b>7. Future Hospital Project: Site Selection Process</b> .....	13
Selection of Original Sites in 2012 .....	13
Long-Listed Sites in 2012 .....	14
Short-Listed Sites in 2012 .....	14
Redevelopment of the existing Hospital site .....	15
Alternative Waterfront sites .....	15
Warwick Farm site .....	16
The Original Preferred site in 2013 .....	16
The Preferred Site in 2013 .....	16
Dual Site Proposal .....	16
Key Milestones following the Dual Site Concept .....	17
Reconsideration of the Dual Site in 2014 .....	17
The Inclusion of People’s Park in 2015 .....	18
The Removal of Two Options in 2016 .....	19
States Members Workshops .....	19
The Preferred Site 2016 .....	20
Costs of the Future Hospital Project .....	20
<b>8. Governance</b> .....	22
Political Oversight .....	22
Political Oversight Group .....	22
Executive Officer Support .....	23
The appointment of a Project Director to the Future Hospital Project Team .....	24
The appointment of an Independent Advisor to the Project Board .....	24
The establishment of a Programme Management Office .....	24
The appointment of a Programme Director to the transformation programme .....	25
<b>9. The Preferred Site (Option F)</b> .....	26
Overview .....	26
Concerto: Overall Assessment .....	26
Challenges with the Preferred Site .....	26
Disruption .....	26
Timeline .....	27

---

Securing Adjacent Properties.....	28
Use of Westaway Court .....	28
Planning.....	29
The Costs of the Preferred Site.....	30
Indicative Costs .....	30
What do the costs of the project include?.....	30
The Waterfront Site (Option D) compared with the Preferred Site (Option F) .....	31
Overview.....	31
The Site Assessment Process .....	32
Why Option D is not the preferred option .....	33
Cost Comparison: Option D and Option F.....	34
Relocation Costs.....	36
Funding .....	36
<b>10. Conclusion</b> .....	<b>40</b>
<b>11. Appendix 1</b> .....	<b>41</b>
Concerto Report .....	41
<b>12. Appendix 2</b> .....	<b>62</b>
Redesign Programme: Timeline of Key Milestones.....	62
<b>13. Appendix 3</b> .....	<b>66</b>
Benefits and Risks Criteria.....	66
<b>14. Appendix 4</b> .....	<b>68</b>
Sub-Panel Membership .....	68
Expert Advisor .....	68
Terms of Reference .....	68
Evidence Considered.....	68
Meetings.....	69

## 1. Chairman's Foreword

On 19th October the Council of Ministers lodged its proposition seeking States Assembly approval for its preferred site for the future hospital. In the short time since that date the Sub-Panel has worked hard to understand the context of the future hospital in the whole redesign programme for health and social services, the processes around site selection and the reasons why the preferred site was chosen.

The Sub-Panel has been assisted greatly by its expert adviser Concerto Partners LLP. In just one week its review team quickly understood the scope of the hospital project, identified key issues and reported with clarity and insight. Concerto's report can be found at Appendix one of this report and it deserves careful reading.

In the short time available to the Sub-Panel before the debate date, it has not been possible to investigate all issues (including financial implications) as thoroughly as we would otherwise have liked. I apologise therefore if this report is not as comprehensive as it might have been in other circumstances. Although the Sub-Panel has not considered it appropriate to make any recommendation concerning approval of the preferred site, we hope our report will assist States members in making an informed judgement.

On behalf of the Sub-Panel, I would like to thank all those who have assisted us in our review including Ministers, the Future Hospital Project Team and Concerto Partners. Finally we are grateful to the Scrutiny Office for the considerable amount of work carried out to help us complete this report.



Deputy R. Renouf  
Chairman  
Future Hospital Scrutiny Sub-Panel

## 2. Executive Summary

P.110/2016 asks States Members to approve in principle the site location for the new hospital. The preferred site is the current General Hospital site with an extension along Kensington Place and other nearby sites, including Westaway Court. The Sub-Panel has undertaken this review in order to inform the States debate, and hopes that it will assist Members in deciding on one of the biggest capital projects in history.

The Future Hospital Project Team has been working on plans for a new hospital since P.82/2012 was accepted by the States Assembly. P.82/2012 set out the whole redesign programme for health and social services. The Sub-Panel recognises that the future hospital is just one part of the redesign process and the success of the project is critically dependent on the wider redesign programme to deliver P.82/2012.

P.82/2012 recognised the need to transform services in order to meet the demands of the aging population in Jersey, and to ensure the size of the new hospital can be appropriately contained through the delivery of more services in the community. The impact of not implementing these community based care strategies will have a significant effect on the hospital size. Therefore, the level and range of services in one part of the redesign system are dependent on the level and range of services in another.

The process to identify a site for the hospital has been undertaken by the Future Hospital Project Team. During the review, the Minister explained that the expertise within the Project Team is supplemented by independent expert advisors such as Gleeds and Ernst & Young. Collectively, the Project Team has experience of working in acute hospitals, building and redeveloping hospitals, and the delivery of major capital projects which are construction led.

The Sub-Panel's advisor (Concerto) found that some areas of the governance structure may be lacking resources in light of the scale of the project. Concerto suggest that the Project Team's leadership would benefit from strengthening in the area of construction management in a healthcare context. In addition, the wider redesign programme to deliver the community based strategies contained in P.82/2012 would benefit from strengthening its governance structure, formalising key roles, and the addition of a Programme Management Office.

A Programme Management Office would support the dependencies between the projects and provide a consistent framework to manage change across all projects. This is particularly important due to the interdependencies between the new hospital and community based care strategies. The Sub-Panel was pleased to hear that the Department was already actively considering the establishment of a Programme Management Office.

Since 2011, an extensive amount of work has been undertaken in order to identify the preferred site, although it would appear that a major factor in this process has been political views about where the hospital should go.

The Waterfront site was the highest ranking site overall in the evaluation assessment (excluding People's Park). In examining the evidence, it seems that, although the Waterfront site was identified as a contender from the beginning, it was never going to be the preferred option of the Council of Ministers. P.110/2016 explains the benefits the preferred site would have if chosen for the new hospital. However, it does not explain the reasons why the Council of Ministers rejected the

Waterfront site and the Sub-Panel considers this unhelpful in aiding understanding by States Members and the public.

It is also impossible to compare the Waterfront site to the preferred option because the same calculations for the preferred site have not been applied to any of the other options. Concerto commented that in developing the options appraisal, the evaluation model undertaken by Gleeds was run on a sequential basis for each option in turn without evident comparison to options that have been previously evaluated. This has meant that a comparison of the options is difficult to achieve. Furthermore, Concerto noted that further work had been carried out on the preferred site when compared to other options and this has resulted in the anomaly that the area and footprint of the proposed building under the preferred site is smaller than the equivalent on the Waterfront site.

In considering the evidence, it would appear that there are three main reasons why the Council of Ministers did not bring forward the Waterfront as the preferred site: it is seen as politically undeliverable; the site is already earmarked for two housing developments which would generate “significant income” and; the preferred site offers better access from the multi-storey carpark than the Waterfront site.

The Sub-Panel endorses the statement made by Concerto that the Future Hospital Project is a complex, high cost project with a high level of ambition, multiple moving parts and critical inter-dependencies. The Sub-Panel has considered several challenges with the preferred site including planning matters (which are also evidenced with the Waterfront site), securing adjacent properties and, once building works start, noise and disruption to staff and patients.

During the study undertaken by Concerto, many of those interviewed identified the failure to secure and sustain approval to proceed with the preferred site as the top-rated risk to the Project. If the Project is subject to further delay, the strategic objectives identified in P.82/2012 to provide a safe, sustainable and affordable hospital for the Island would be severely compromised. Concerto warn that continued delay will also result in increasing costs, and the collateral damage could be far-reaching – for example disenfranchising the clinicians and other key stakeholders, losing valuable staff and failing to attract and retain new ones due to the poor, deteriorating state of the current hospital buildings and the increasing risk to patient safety.

Although the Sub-Panel does not make any recommendation as to whether the preferred site should be the new site for the hospital, there is no doubt that the existing General Hospital does not comprehensively meet modern standards. The current hospital is not fit for all current or future purposes and investment is now urgently required to ensure that a new hospital can be developed as soon as possible.

On the evidence the Sub-Panel has received, the preferred site will deliver for the Island a safe, efficient, modern hospital. The Waterfront site would also appear to be a viable option. The Sub-Panel trusts States Members will exercise an informed judgement in reaching a decision.

### 3. Key Findings

1. Continued investment in out of hospital or community based care strategies is imperative in order to deliver the future hospital project.
2. Failure of States Members to agree a site will severely compromise strategic objectives to provide a safe, sustainable and affordable hospital for the Island.
3. A Waterfront option has consistently performed well in evaluations of site options.
4. Ministers have consistently sought other options on the occasions that the Waterfront site ranked best.
5. Indecision by Ministers has created delays in delivering the future hospital in a timely fashion.
6. P.110/2016 is presented as an in principle decision to approve a site. In practice, this will mean a commitment to that site and the related expenditure unless something significant is identified during the detailed evaluation process.
7. The Sub-Panel is concerned about the appropriate level of expertise within the current Future Hospital Project team in relation to the construction of new hospitals. It is the view of the Minister for Health and Social Services and Minister for Infrastructure that at the present time the Project Team comprises the correct mix of experience which is supplemented by the expertise of Gleeds.
8. The Sub-Panel's advisor (Concerto) found that a Programme Management Office was not in place to support the wider redesign process of health and social services. Some projects within the transformation programme have developed their own project infrastructure but these, so far, have been implemented on an ad hoc basis.
9. The Sub-Panel's advisor assesses the future hospital project as Amber at this stage meaning the: *"Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun"*.
10. Disruption to staff and patients during the demolition and construction phases of the hospital should not be underestimated. Comprehensive planning will be needed to mitigate the disruption.
11. The timescales for the future hospital project are tight, particularly its initial stages which comprise the decant, design, planning, refurbishment and relocation activities.
12. There may have already been some slippage in the target date for freeing up the preferred site in readiness for the start of demolition.
13. In order to free up the preferred site it is necessary to vacate and then refurbish Westaway Court and complete other critical works. Although plans are progressing well it is still too early to be assured that the target is achievable. The ability to deliver £11 million of refurbishment activities within the planned period is also a significant challenge.



14. The preferred site is only viable if supplemented by acquisitions in Kensington Place. This represents a critical risk to the project.
15. There is likely to be limited parking provision at Westaway Court. The distance between Westaway Court and Patriotic Street carpark is such that it may require a transport solution for outpatients.
16. The footprint of the proposed building on the preferred site has been reduced by 50% from an ideal 20,000m<sup>2</sup> to approximately 10,000m<sup>2</sup>.
17. The preferred site challenges usual planning requirements. The reduced ground floor footprint has meant that the building will need to be taller than guidelines currently suggest as appropriate. In order for the successful delivery of the hospital on the preferred site, height guidelines established by the Planning Department will need to be relaxed.
18. The Waterfront option has a marginally lower cost than the preferred option.
19. The Waterfront option has a marginally lower risk profile than the preferred option.
20. Both the Waterfront site and the preferred site offer similar benefits.
21. The Sub-Panel's advisor found that the evaluation of the Waterfront site and the preferred site had been carried out in a fair, consistent and comprehensive way.
22. A comparison of the Waterfront site and the preferred site has been difficult to achieve because the evaluations of each site have been undertaken on a sequential basis without evident comparison.
23. An important reason why the Waterfront site option was not taken forward as the preferred site even though it ranked highest was because it was seen by the Council of Ministers as politically undeliverable.
24. Ministers consider that a housing development earmarked for the Waterfront site could generate significant income.
25. Although the Council of Ministers considered the Waterfront site option as politically undeliverable, the possibility of using the site for the future hospital has never been brought before the States Assembly for debate.
26. The differential cost between the preferred site and the Waterfront site is approximately £20 million as identified by Gleeds.
27. The cost of the preferred site has been reduced by approximately £20 million as a result of planning for a smaller sized building. No such work has been carried out at the same level of detail on other options.
28. There are no relocation costs in relation to the Waterfront site. The approximate costs necessary in order to make the Waterfront site possible are approximately £23 million compared to required relocation costs of the preferred site of approximately £44 million.

## 4. Recommendations

### **The Minister for Health and Social Services should ensure the following –**

1. Ministers should carefully consider the suggestion made by Concerto to appoint a suitably experienced Project Director at this stage, and not discount the suggestion merely because the construction project is in its planning stage. The Sub-Panel recognises the experience and strength of the present team but the project could benefit additionally from high level expertise at the earliest opportunity.
2. The Sub-Panel endorses the importance of an independent advisor to provide challenge and act as a critical friend to the Project Board. As the project develops through all its stages, Ministers should ensure that the Project Board is always assisted by such an advisor with relevant knowledge and experience.
3. The Health and Social Services Department should look into establishing an appropriately resourced Programme Management Office to support the needs of the programme, the dependencies between the projects and provide a consistent framework to manage change across all projects.
4. The Minister for Health and Social Services should clarify the role of the Director of System Redesign and Delivery and take any necessary steps to formalise responsibilities in this area.

## 5. Introduction

### Context and Background

The Health and Social Services Department (“Health Department”) has been working on plans for a new hospital since 2012 when it lodged P.82/2012 “*Health and Social Services: A New Way Forward*”. Detailed within P.82/2012 was the Council of Ministers commitment to:

*“co-ordinate the necessary steps by all relevant Ministers to bring forward for approval proposals for the priorities for investment in hospital services and detailed plans for a new hospital (either on a new site or a rebuilt and refurbished hospital on the current site), including full details of all manpower and resource implications necessary to implement the proposals”<sup>1</sup>*

P.82/2012 set out the whole redesign programme for health and social services including implementing different initiatives in order to provide more care in the community. Central to the redesign programme is the need for a new hospital which is fit for purpose and capable of sustaining the care requirements of the population<sup>2</sup>.

The Proposition (P.110/2016: “*Future Hospital: Preferred Site*”) was lodged by the Council of Ministers on 19th October and asks Members to approve in principle the site location for the new hospital. The debate will take place at the end of November 2016.

### The Review

For the purposes of this review, the Sub-Panel appointed Concerto Partners LLP as its expert advisor. Background information on Concerto can be found in appendix four.

An associate of Concerto undertook a desktop study of the project between May and July 2016 which can be viewed in the Sub-Panel’s interim report (S.R.6/2016) published on 3rd November 2016.

In order to inform this current review, three associates of Concerto undertook an independent review which followed as far as possible and practical the principles of a Gateway review. The review team visited the Island from 7th – 11th November which involved extensive interviews with the Future Hospital Project team, Health and Finance Officials and clinical representatives. Gateway reviews can be defined as short, focused reviews which take place at key decision points. The Gateway review process is a “snap-shot” of the project at a particular time and recommendations are based on the interviews undertaken and evidence presented<sup>3</sup>. Concerto’s report can be found in appendix one.

The Sub-Panel also undertook its own piece of work on the project by requesting key documents from the Health Department and holding two Public Hearings with the Minister for Health and Social Services and Minister for Infrastructure. Although the timescale was extremely short, it hopes this report will assist Members during the States debate.

---

<sup>1</sup> P.82/2012: Health and Social Services: A New Way Forward paragraph (i)

<sup>2</sup> R.125/2012 “Hospital Pre-Feasibility Spatial Assessment Project: Interim Report”, 18th October 2012, p.2

<sup>3</sup> Information accessed at [www.gov.scot/Topics/Government/ProgrammeProjectDelivery/GatewayReview](http://www.gov.scot/Topics/Government/ProgrammeProjectDelivery/GatewayReview)

## 6. Interdependencies

This section describes the interdependencies between the new hospital and all other projects within the wider health and social services departmental strategy (P.82/2012). Appendix two contains a timeline of key milestones in relation to the redesign of health and social services including care in the community and the new hospital from 2011 – 2016.

In the Medium Term Financial Plan, significant investment has been made for out-of-hospital services (£3 million in 2016 £5.6 million by 2019)<sup>4</sup>. The investment for out-of-hospital or community based care strategies has been justified by the projected rise of Islanders aged over 65 (projected to increase by 35% by 2040). This demographic change will create a surge in demand for health and social care services which “*would overwhelm the current capacity of existing services*”<sup>5</sup> and the current capacity in community services will be inadequate to meet demand.

P.82/2012 recognised the need to transform services in order to meet the demands of the ageing demographic in Jersey, and to ensure that the size of the new hospital can be appropriately contained through the delivery of more services in community settings<sup>6</sup>.

W.S. Atkins explains that the impact of not implementing community-based care strategies, as identified in P.82/2012, will have a significant effect on the hospital size. If the community strategies were not introduced, the increase in the hospital area requirement for a new hospital would rise by approximately 9,000m<sup>2</sup>, based on UK standards, and incur an additional capital cost of approximately £60 million<sup>7</sup>. Therefore, the level and range of services in one part of the redesign system are dependent on the level and range of services in another. Plans for the new hospital must not be separate to the plans for community-based services.

During Concerto’s review, many of those interviewed identified the failure to secure and sustain approval of the preferred site as the top-rated risk to the project. Concerto comment that, should the preferred site not be approved, the project will be subject to further delay and strategic objectives will be severely compromised:

*“Many of those interviewed identified the failure to secure and sustain approval to proceed with Option F as the top-rated risk to the Project. Should this risk materialise and the Project is subject to further delay, the strategic objectives identified in P.82/2012 and the Acute Service Strategy 2015-2024 (i.e. to provide a safe, sustainable and affordable hospital for the Island) would be severely compromised. Continued delay will also result in increasing costs, and the collateral damage could be far-reaching (e.g. disenfranchising the clinicians and other key stakeholders, losing valuable staff and failing to attract and retain new ones due to the poor, deteriorating state of the current hospital buildings and the increasing risk to patient safety)”*<sup>8</sup>

<sup>4</sup> P.68/2016, Medium Term Financial Plan 2017 – 2019, p.67

<sup>5</sup> P.68/2016, Medium Term Financial Plan 2017 – 2019, p.67

<sup>6</sup> Medium Term Financial Plan Addition 2017 - 2019, P.68/2016, page 60

<sup>7</sup> W.S. Atkins, Hospital Pre-Feasibility Spatial Assessment Project: Jersey General Hospital Refined Concept: Addendum, 3rd October 2013 page 14

<sup>8</sup> Concerto Report “Assurance Report Future Hospital Project, November 2016, para 4.7 (can be found in appendix one)

**KEY FINDING 1** – Continued investment in out of hospital or community based care strategies is imperative in order to deliver the future hospital project.

**KEY FINDING 2** – Failure of States Members to agree a site will severely compromise strategic objectives to provide a safe, sustainable and affordable hospital for the Island.

## 7. Future Hospital Project: Site Selection Process

When looking at the timeline it can be difficult to pinpoint exactly when decisions were made, how they were made and why. This section of the report explains the hospital site selection process from 2012 to June 2016 when the preferred site option of the existing General Hospital was announced.

### Selection of Original Sites in 2012

In 2012, a working party of officers<sup>9</sup> identified a list of potential sites for evaluation<sup>10</sup>. This was reduced to a long-list of 10 sites by the working party who also considered whether the potential massing and height of the new hospital, based on the existing General Hospital, could be accommodated on any particular site<sup>11</sup>. The potential sites were:

1. The current General Hospital
2. Overdale Hospital
3. St Saviour's Hospital
4. Esplanade Car Park
5. Playing fields south of Airport
6. Warwick Farm
7. Waterfront sites - Zephyrus/Westwater/Crossland
8. Former D'Hautrée School
9. Former Jersey College for Girls
10. South Hill States Offices
11. Summerland/Ambulance States of Jersey (Fort Regent)
12. Snow Hill Car Park
13. Elizabeth Harbour
14. Waste Management site, Bellozanne Valley
15. Le Mausurier's land, Bath Street
16. Former Jersey Brewery, Ann Street
17. Longeuville Nurseries
18. Parade Gardens
19. Springfield Stadium
20. FB Fields, St Clement
21. Jersey Gas site
22. Westmount Quarry
23. Samarés Nurseries
24. Grande Route de Mont à L'Abbé – Field 1219
25. Westmount – Field 1550
26. Westmount – Field 1551

The Sub-Panel notes that other sites were considered during the site selection process but were not taken forward.

---

<sup>9</sup> from States of Jersey Property Holdings, Transport and Technical Services, Health and Social Services and Treasury and Resources, as advised by officers from the Planning Department and the Managing Director of the States of Jersey Development Company

<sup>10</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 27

<sup>11</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 27

## Long-Listed Sites in 2012

The list of sites above were evaluated and resulted in a long-list of 10 potential sites. These were<sup>12</sup>:

1. Redevelopment of the existing hospital site
2. The Overdale hospital site and adjacent fields
3. St Saviour's Hospital site
4. The Esplanade Car Park and Zephyrus/Westwater/Crossland site
5. Land adjacent to Jersey Airport
6. Land at Warwick Farm
7. Jersey Gas Works site
8. Westmount Quarry
9. Samarés Nurseries at St Clement
10. Field on Grande Route de Mont à L'Abbé

In the pre-feasibility study undertaken by W.S. Atkins, it explains that technical information for each site was gathered and high level site development plans were developed to indicate, in principle, if each site could accommodate a new hospital with a gross floor area of approximately 64,000m<sup>2</sup> and a preferred ground floor area of approximately 18,000 to 20,000m<sup>2</sup>.<sup>13</sup>

W.S. Atkins scored each site option against a benefits and risk criteria with those sites scoring lowest excluded (the benefits and risk criteria used can be found in appendix three). In addition, W.S. Atkins explains that where material shortfalls in the suitability of sites were found (such as overall size restriction or compromised clinical functionality) these sites were also excluded<sup>14</sup>. As a result of this scoring system a short-list of sites was then taken forward.

## Short-Listed Sites in 2012

On the basis of the W.S. Atkins long-listing analysis, the following sites, in order of ranking were recommended for further detailed short-listing appraisal<sup>15</sup>:

- |               |          |  |
|---------------|----------|--|
| <b>Rank 1</b> | <b>=</b> | <b>Redevelopment of the existing hospital site</b>   |
| <b>Rank 2</b> | <b>=</b> | <b>New build development on the Esplanade Car Park and Zephyrus/Westwater/Crossland site</b> |
| <b>Rank 3</b> | <b>=</b> | <b>New-build development on the Warwick Farm site</b>  |

The short-list recommendations were reviewed by the Ministerial Oversight Group in August 2012. W.S. Atkins explains that the short-listed options were accepted as being the preferred options to take forward for more detailed assessment, with the exception of the Esplanade Car Park and Zephyrus/Westwater/Crossland site. This site was rejected by the Ministerial Oversight Group for three reasons:

1. The individual sites were seen to be too small individually to accommodate the size of the whole hospital development.

<sup>12</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 28

<sup>13</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 21

<sup>14</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 28

<sup>15</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 28

2. The separation of the sites by the main road also appeared to present significant obstructions to providing clinical and operational links between the sites.
3. Ministers believed that the potential development of these sites for the Jersey International Finance Centre should have priority, and their reasoning for this was that it offered a greater potential contribution to the island's economy<sup>16</sup>.

### Redevelopment of the existing Hospital site

Redeveloping the existing site was found by W.S. Atkins to have higher cost and dis-benefits associated with the requirement for a phased development whilst the existing hospital was operational<sup>17</sup>. W.S. Atkins explains that concern had also been expressed by Ministers regarding the potential height of up to 9 storeys indicated in the initial development proposals. Following further review, planning massing guidance was released which introduced a limited building height of seven floors overall (which would be in the centre of the new hospital building and along The Parade).<sup>18</sup> In response, the potential site development area was adjusted to include consideration of acquiring further adjacent properties in order to reduce the overall height of the proposed building. Consideration was also given to utilising the space occupied by the original granite building<sup>19</sup>.

### Alternative Waterfront sites

W.S. Atkins explains that an alternative site option based on the Zephyrus/Crosslands site was identified which included a new site incorporating the existing Aquasplash and Cineworld sites – (Zephyrus/Crosslands/Aquasplash/Cineworld) and was taken forward as a replacement. However the Ministerial Oversight Sub-Group confirmed that this site should not be considered further and the reasons given for this in the Pre-Feasibility report were that *“the positive benefits and risks associated with the development of this site option could not overcome the significant financial penalty arising from the re-provision and re-location of current occupiers of this site”*.<sup>20</sup>

Ministers confirmed that it should be replaced with an alternative Waterfront site replacing the Aquasplash and Cineworld sites with Les Jardins de la Mer.<sup>21</sup>

At this point, redeveloping the existing hospital site and the Waterfront (Zephyrus/Crosslands/Les Jardins de la Mer) site were evaluated by W.S. Atkins. The Waterfront site ranked best following the evaluation<sup>22</sup>.

W.S. Atkins explains that during a Ministerial Oversight Sub-Panel Group meeting in February 2013 views expressed were that *“although the Waterfront options had attractions in terms of potential benefits, costs and ease of construction, any option involving the Waterfront would be out of keeping with the existing Esplanade Quarter Masterplan and require considerable lost opportunity costs to replace or compensate for the loss of existing uses”*<sup>23</sup>. The Sub-Panel notes that the Esplanade Quarter Masterplan (approved in 2008) envisaged development to include housing, office space, a

<sup>16</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 28/29

<sup>17</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 29

<sup>18</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 30/31

<sup>19</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 31

<sup>20</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 31

<sup>21</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 31

<sup>22</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 31

<sup>23</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 32



hotel, self-catering apartments, public square, boulevards and open space, shops, restaurants and bars with underground parking<sup>24</sup>.

W.S. Atkins also explains that the Ministerial Oversight Sub-Group considered that the Waterfront options, developed, were likely to have a detrimental impact on the development of the Jersey International Finance Centre which would form an income stream for the development of the new hospital.<sup>25</sup>

In March 2013, an Economic Impact Assessment was undertaken by the Economics Unit on the potential impact of the hospital on the Jersey International Finance Centre. As a result, Ministers confirmed that there should be no further consideration given to any Waterfront site option<sup>26</sup>.

### Warwick Farm site

The Warwick Farm site option offered the opportunity of a 100% new-build development on a green-field site. W.S. Atkins explains that Ministers did not consider this site to be suitable because it would require re-designation of a green zone land site. Furthermore, it was felt that the visual and development impact of such a large building in a rural setting would have been out of keeping with the surroundings. The transport impacts were also not considered sustainable. As a consequence, Warwick Farm was not taken forward further as a short-listed option.<sup>27</sup>

### The Original Preferred site in 2013

As a result of the work undertaken by W.S. Atkins in 2013 and the decision not to take forward the Warwick Farm and all Waterfront site options, the existing hospital site became the preferred option:

#### **W.S. Atkins:**

*“In summary, having followed the protocols and procedures recommended for the development of Strategic Outline Cases; having evaluated a range of options against benefit, risk and cost criteria; and having consulted with the political Ministerial Oversight Group appointed to oversee health and social services transformation, the Ministerial Oversight Group concluded that the phased redevelopment of the existing General Acute Hospital site offers the most appropriate solution for the provision of acute health care services for the population of Jersey. This will entail the comprehensive redevelopment of the existing facilities such that by the completion of the final phase all accommodation will be provided to the requisite standards of clinical functionality and will permit the continuing provision of acute health care services in a safe, sustainable and affordable manner on this site”<sup>28</sup>.*

### **The Preferred Site in 2013**

#### Dual Site Proposal

Even though W.S Atkins had identified a preferred site of redeveloping the existing site, this changed to a refined concept which used the existing site and Overdale Hospital. A design champion was appointed in July 2013<sup>29</sup> who helped develop the refined concept.

<sup>24</sup> Economic Impact Assessment, States Economics Unit, March 2013, p. 4

<sup>25</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 32

<sup>26</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 32

<sup>27</sup> W.S Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 30

<sup>28</sup> W.S. Atkins Hospital Pre-Feasibility Spatial Assessment Project, May 2013, page 7

<sup>29</sup> S.R.10/2014 The Redesign of Health and Social Services, presented 5th September 2014, page 81/82

W.S. Atkins published a refined concept addendum to the strategic outline case in October 2013 and explained that availability of funding was the key driver in developing the revised proposals. The previously identified preferred site option of redeveloping the existing hospital would have cost approximately £462 million in 2013. The Ministerial Oversight Group subsequently identified a maximum sustainable total capital funding package of £250 million (excluding contingency).<sup>30</sup>

A Council of Ministers' Paper explains that a refined concept was developed because it was recognised that the "*confined space available at the existing hospital site would mean that any phased development would suffer from an extended construction period and abortive costs. Instead, development of part of the new hospital capacity at the existing Overdale site was proposed*"<sup>31</sup>, which became the dual site option.

#### Key Milestones following the Dual Site Concept

- In October 2013, the Council of Ministers agreed that the refined concept of a dual site hospital was appropriate to be progressed to full Feasibility Study.<sup>32</sup>
- Work commenced on the Feasibility Study on the basis of a dual site approach in January 2014.<sup>33</sup>
- In April 2014 the States of Jersey sought to procure a supplier that would deliver Independent Client Technical Advisor Services relating to the delivery of the planned future hospital project. In June 2014 technical, legal and financial advisors were appointed<sup>34</sup>.
- The previous Health, Social Security and Housing Panel presented its report (S.R.10/2014) on the redesign of health and social services in September 2014.
- A new Minister for Health and Social Services was elected on 6th November 2014

#### **Reconsideration of the Dual Site in 2014**

Once the new Health Minister was in post, the Ministerial Oversight Group met on 17th December 2014 to discuss the site options and recommended consideration of four options. The Group agreed that the following four sites should be appraised on a like-for-like basis:

1. **Option A** - A new build and refurbished Dual Site hospital at the existing General Hospital and Overdale Hospital sites.
2. **Option B** - A new build single site hospital at the existing Overdale Hospital site (Westmount Road) and adjacent land;
3. **Option C** - A new build single site hospital at the existing General Hospital site (Gloucester Street, St Helier) and adjacent land;

<sup>30</sup> W.S. Atkins Refined Concept Addendum Report, October 2013, page 15/ Public Hearing with the Minister for Treasury and Resources, 13th June 2014, p.3

<sup>31</sup> Hospital Pre-Feasibility Spatial Assessment – Council of Ministers Paper, October 2013

<sup>32</sup> Hospital Pre-Feasibility Spatial Assessment – Council of Ministers Paper, October 2013

<sup>33</sup> Project Brief – 100 day review

<sup>34</sup> Ministerial Oversight Group Minutes, 25th June 2014

4. **Option D** - A new build single site hospital at the Waterfront site (Zephyrus, Crosslands and Jardins de la Mer);

Gleeds Management Services (“Gleeds”) was appointed by Jersey Property Holdings to undertake the Feasibility Study, and completed the options appraisal of the four sites listed above<sup>35</sup>. The Gleeds appraisal concluded that on the basis of evidence established, the Waterfront site (Option D) was the optimal location to be taken forward to detailed design. Gleeds completed its work in April 2015.

### The Inclusion of People’s Park in 2015

Gleeds were asked to review a fifth site (People’s Park) as an option for a 100% new build hospital. The fifth site had been identified during a Ministerial Oversight Group meeting on 22nd July 2015. An extract from the record of the meeting details:

*“[The Chief Executive Officer of Planning and Environment] said the People’s Park is, however, a very developable site. This site can handle more development due to the backdrop of a cliff. [The Health Minister] said that the covenant on that park is difficult as it belongs to the people, not the Parish, and there must be 3 rows of trees between it and the road”.*<sup>36</sup>

It appears that the actual decision to include the People’s Park site in the list of potential sites was made on 2nd September 2015 at the next Ministerial Oversight Group meeting:

*“[The Chief Minister] said his view was to commission the short-listing review work on the People’s Park site option to test it on a like-for-like basis with the 4 earlier short-listed options. [The Health Minister] and [Assistant Health Minister - Connétable J.M. Refault] agreed that the People’s Park was the most promising site examined so far”.*<sup>37</sup>

Gleeds were tasked to incorporate the People’s Park site option into its calculations, and produced a revised report in September 2015. The four initial options and additional fifth option considered were:

1. Option A – Dual Site
2. Option B – 100% new build at Overdale
3. Option C – 100% new build at the current Hospital site and adjacent land
4. Option D – 100% new build at the Waterfront
5. Option E – 100% new build at People’s Park

The report concluded that People’s Park being a 100% new hospital would be delivered at the lowest capital cost of £426.8m, would result in the lowest 60 year Net Present Value and, could be delivered in the joint shortest timescale of under 7 years. People’s Park also scored significantly higher than all other options in terms of delivered benefits. Within the same report, the Waterfront scored better than all other options in terms of risk, however, in comparison to People’s Park, this related largely to the technical team’s view of the risk associated with the acquisition of the Park<sup>38</sup>.

<sup>35</sup> Project brief – 100 day review

<sup>36</sup> Ministerial Oversight Group Minute, 22nd July 2015, p.6

<sup>37</sup> Ministerial Oversight Group Minute, 2nd September 2015, p.3

<sup>38</sup> Gleeds, Updated Site Options Appraisal to include “Site E – People’s Park”, September 2015, p.11

In January 2016, the Connétable of St Helier lodged a Proposition requesting the Minister for Health and Social Services to remove People’s Park from the list following concern from members of the public and some States Members.

### The Removal of Two Options in 2016

On the day of the debate (23rd February 2016) the Health Minister accepted the Constable’s Proposition (without debate) and removed People’s Park from the list of options. At a Ministerial Oversight Group meeting on 10th February 2016, it was also confirmed by the Health Minister that the dual site option should be removed from the list:

*“[The Project Director] asked for a formal MOG decision and recommendation CoM about the dual site being taken off the list. [The Health Minister] confirmed it was to be taken off the list. He had been clear on this from the beginning. It was in the engagement so that people understood why Ministers had rejected the dual site.”<sup>39</sup>*

On the Future Hospital website<sup>40</sup>, the following issues with the dual site are given:

- Constrained site compromises hospital design
- Poor public and emergency access (Overdale)
- Visual and local environmental impact (Overdale)
- Limited opportunity for future expansion (Overdale)
- Long construction period – building around a working hospital (Parade).
- Disruption to patients and staff during construction (Parade)

**KEY FINDING 3:** A Waterfront option has consistently performed well in evaluations of site options.

**KEY FINDING 4:** Ministers have consistently sought other options on the occasions that the Waterfront site ranked best.

**KEY FINDING 5:** Indecision by Ministers has created delays in delivering the future hospital in a timely fashion.

### States Members Workshops

The Future Hospital Project Team organised three workshops on behalf of the Health Minister for all non-ministerial States Members. It is understood that the purpose of the workshops were to engage with States Members and to generate political alignment around a site selection process. The workshops were held on:

- Workshop 1 21st March and 28th April
- Workshop 2 26th May and 7th June
- Workshop 3 18th July

Workshops 1 and 2 were repeated to enable additional Members to attend, and the third one was held once. Workshop 3 was predominantly focussed on the preferred site option.

<sup>39</sup> Ministerial Oversight Group Minute, 10th February 2016, p.4

<sup>40</sup> Information accessed at <https://www.futurehospital.je/selection-process/>

## The Preferred Site 2016

On 14th June 2016, the Council of Ministers announced the preferred site for the new hospital – an extension of the existing General Hospital site which makes use of Patriotic Street car park. On announcing the site, the Health Minister said:

*"I am absolutely delighted that the Council of Ministers has now confirmed they will recommend the current hospital site as the chosen site for our new hospital. It is right that so many site options were considered, as this is such an important decision, however it is important that we now commence planning for our future hospital in earnest.*

*"We are all well aware by now that there is no perfect solution, but this option, including Peter Crill House, the current Gwyneth Huelin wing and extending to Kensington Place has many benefits, including the use of the Patriotic Street car park to enable access at several different levels. We have a long way to go before we can confirm the design that will give us the best hospital and hospital services in consultation with patients, staff, visitors, neighbours, authorities and our many stakeholders.*

*"To that end we are now beginning a second phase of communications to make sure that everyone is fully aware of the implications of this option and of the choices and potential of the preferred site. During this time the Future Hospital team will develop and share further feasibility work to progress the project, and which will enable a meaningful States debate before the end of the year to seek States Assembly approval so that we can get on with delivering an excellent new hospital for the people of Jersey."<sup>41</sup>*

The Proposition (P.110/2016: Future Hospital: Preferred Site) was lodged by the Council of Ministers on 19th October and will be debated at the end of November 2016.

The Medium Term Financial Plan 2017 – 2019 explains that if the States Assembly approves P.110/2016 further design development, investment enabling and relocation works and continued feasibility will follow. The outcome of the detailed design will be presented to the States in 2017 and the States will be asked to agree the proposed detailed plans for the new hospital, financial and manpower implications and the source of funding<sup>42</sup>.

**KEY FINDING 6:** P.110/2016 is presented as an in principle decision to approve a site. In practice, this will mean a commitment to that site and the related expenditure unless something significant is identified during the detailed evaluation process.

## Costs of the Future Hospital Project

The costs incurred prior to the proposals being lodged next year are approximately £27 million and include 2016 costs and half of the 2017 costs. The costs include<sup>43</sup>:

1. Funding the development of the project brief for the new approach
2. Undertaking the necessary further site assessment studies to inform project costing
3. Completing the activity assessments and plans
4. Developing the concept design

<sup>41</sup> "Update on Future Hospital Site, 14th June 2016, accessed at [www.gov.je](http://www.gov.je)

<sup>42</sup> P.68/2016, Medium Term Financial Plan 2017 – 2019, p.128

<sup>43</sup> P.110/2016: Future Hospital: Preferred Site, lodged by the Council of Ministers, page 13

5. The proposed procurement strategy and outline planning submission
6. Tendering for a construction partner
7. Completing the concept design
8. Commencing the construction of relocation works
9. Producing the overall project execution plan

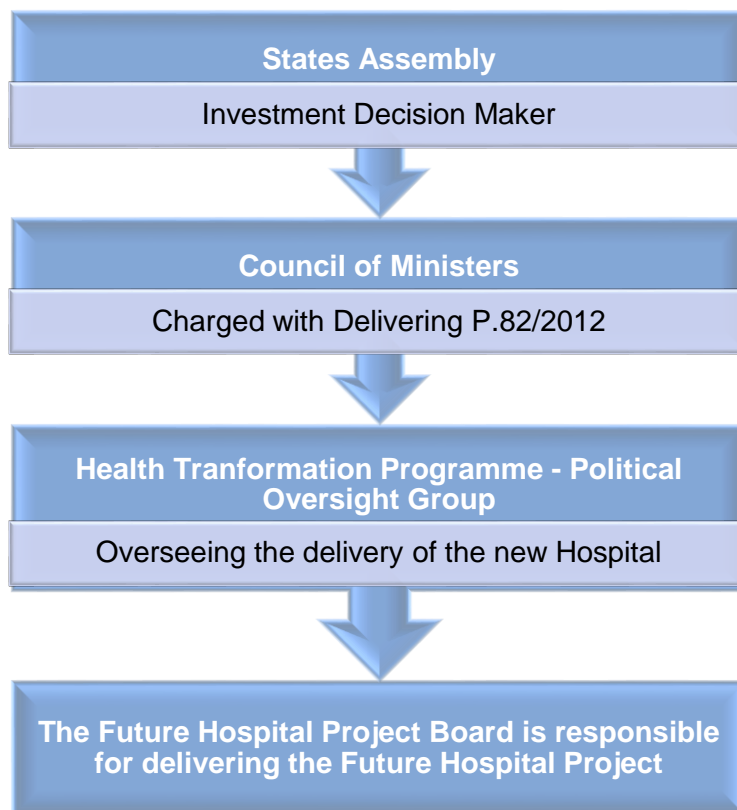
## 8. Governance

This section explains the governance arrangements at both political and executive officer support level for the Future Hospital Project. In order to deliver the redesign process, three Departments play a key role in the delivery of the project – the Health and Social Services Department; the Department for Infrastructure and the Treasury and Resources Department.

### Political Oversight

#### Political Oversight Group

The original political-level governance was the establishment of a Ministerial Oversight Group in 2011. The role of the Ministerial Oversight Group was to provide political direction to, and scrutiny of, the redesign programme (P.82/2012) and to provide political commitment across the States<sup>44</sup>. The Ministerial Oversight Group has since been replaced with the Future Hospital Political Oversight Group which is responsible for overseeing the delivery of the future hospital. The following chart<sup>45</sup> illustrates the political oversight of the project:

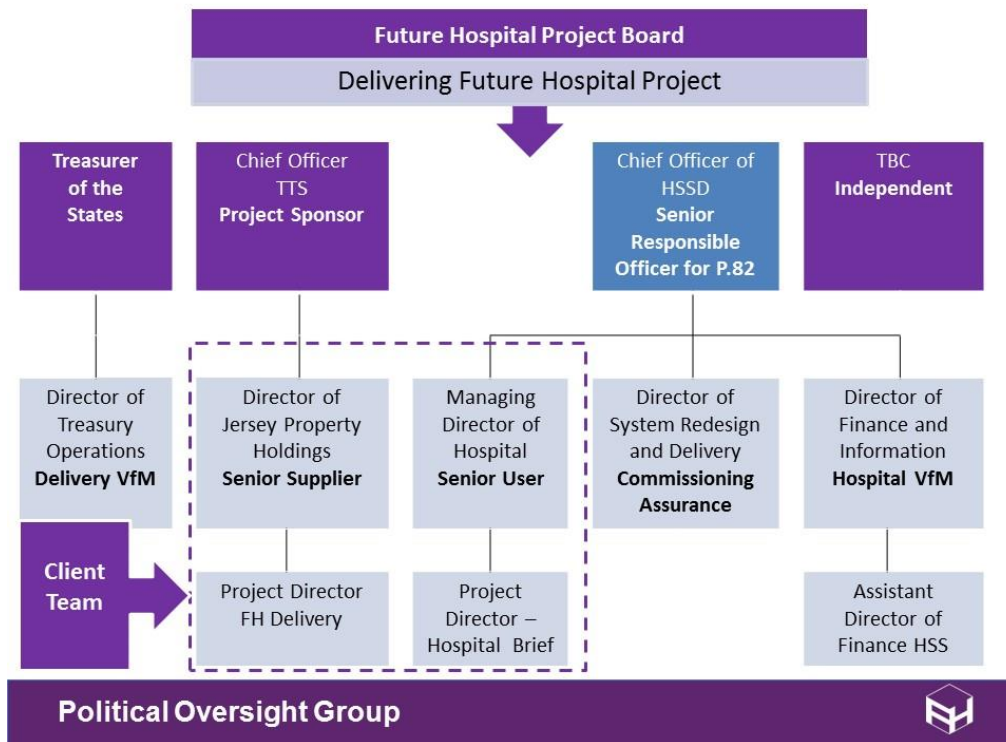


<sup>44</sup> Ministerial Oversight Group – Terms of Reference

<sup>45</sup> Information received from Jersey Property Holdings via email, 13th May 2015

## Executive Officer Support

The diagram below shows the governance structure in terms of executive officer support of the project:



There are three Senior Responsible Owners for the project which cover the three main Departments:

1. Chief Executive Officer of Health and Social Services;
2. Chief Officer of the Department of Infrastructure; and
3. Treasurer of the States

A Senior Responsible Owner can be defined as the “*visible owner of the overall business change, accountable for the successful delivery and is recognised throughout the organisation as the key leadership figure in driving the change forward*”.<sup>46</sup>

One of Concerto’s (Sub-Panel advisor) earlier concerns was the lack of senior leadership experience of hospital new-builds within the Future Hospital Project Team<sup>47</sup>. A heated discussion occurred during the Public Hearing with Ministers but the Sub-Panel felt it was important to place the project team’s experience and expertise on the record. It is clear that the project team in Jersey has broad experience of working in acute hospitals and major capital projects which are construction based. This is then supplemented by external advisors such as Gleeds which has undertaken Feasibility and Proof of Concept studies and has experience of building and redeveloping hospitals.

Concerto considered that, in light of the scale of the project, its leadership would benefit from strengthening in the area of construction management in a healthcare context. In addition, the wider transformation programme to deliver the objectives set out in P.82/2012 could benefit from strengthening its wider governance structure and formalising key roles<sup>48</sup>.

<sup>46</sup> “Roles and responsibilities of the Senior Responsible Owner”, information accessed at [www.finance-ni.gov.uk](http://www.finance-ni.gov.uk)

<sup>47</sup> S.R.6/2016 “Future Hospital Project: Interim Report” 3rd November 2016, p.7

<sup>48</sup> Concerto Assurance Report, November 2016, Executive Summary (can be found in appendix one)



### The appointment of a Project Director to the Future Hospital Project Team

Concerto advised that in the UK, a project to deliver a hospital of such size, scale and complexity would have a Project Director at its head with first-hand experience of the successful delivery of similar projects, ideally in a healthcare environment. However, at a Public Hearing the Chief Officer for Infrastructure advised the Sub-Panel that it was too early to consider the appointment of such a Project Director as the project is still at the site selection stage. In addition the Future Hospital Project Team rely on the expertise provided by Gleeds and had some doubts about the need to add a Project Director to the team as suggested.

**KEY FINDING 7** – The Sub-Panel is concerned about the appropriate level of expertise within the current Future Hospital Project team in relation to the construction of new hospitals. It is the view of the Minister for Health and Social Services and Minister for Infrastructure that at the present time the Project Team comprises the correct mix of experience which is supplemented by the expertise of Gleeds.

**RECOMMENDATION 1** - Ministers should carefully consider the suggestion made by Concerto to appoint a suitably experienced Project Director at this stage, and not discount the suggestion merely because the construction project is in its planning stage. The Sub-Panel recognises the experience and strength of the present team but the project could benefit additionally from high level expertise at the earliest opportunity.

### The appointment of an Independent Advisor to the Project Board

Concerto considered the capability of the project team and noted that the size, scale and complexity of the project far exceeds any other construction project ever built on the island. Concerto observed *“that the appointment of an Independent Advisor to the Project Board would often be the norm in the UK where the client was seeking to deliver a project of this nature. The appointment of an Independent Advisor with a range of strategic construction industry project management and commercial capability and experience has the potential to provide vital support to the Senior Responsible Owner (SRO) and Project Director. Such an Adviser could provide independent challenge and act as a critical friend and adviser, particularly through what are likely to be some challenging times on the project as it moves forward”*<sup>49</sup>.

This observation was discussed at the Public Hearings and the Sub-Panel understands that a highly qualified and experienced individual presently fulfils this role.

**RECOMMENDATION 2** - The Sub-Panel endorses the importance of an independent advisor to provide challenge and act as a critical friend to the Project Board. As the project develops through all its stages, Ministers should ensure that the Project Board is always assisted by such an advisor with relevant knowledge and experience.

### The establishment of a Programme Management Office

The successful delivery of a new hospital is part of a wider redesign process of health and social services. According to P.82/2012 modern hospital services and facilities including a new hospital are vital, but the need to build primary care and expand community services to offer alternatives, relieve pressure on the hospital and create a sustainable system is also important<sup>50</sup>. Concerto

<sup>49</sup> Concerto Assurance Report, November 2016, para 5.14/5.15 (can be found in appendix one)

<sup>50</sup> P.82/2012 Health and Social Services: A New Way Forward, p. 59

observed during their interview process with key officers of the redesign process that there was a common acceptance of the interdependencies of the projects – i.e. the successful delivery of the new hospital is dependent on the successful delivery of community care.

Furthermore, Concerto observed that a Programme Management Office (PMO) was not in place. A PMO can provide support to a single programme or project or it can have a wider support remit to programmes and projects across an organisation<sup>51</sup>. The reasons why an organisation may establish a PMO is: for better continuity and maintenance of standards; increased skills development and transfer; and the ability to collect and handover vital lessons learned from one initiative to the next<sup>52</sup>. Concerto found that a number of individual projects were beginning to cover this by developing their own project infrastructure, such as reporting mechanisms, but these were being implemented on an ad hoc basis. Therefore, Concerto suggested that the programme should be supported by an appropriately resourced PMO.

During the Public Hearing the Chief Executive Officer of Health and Social Services confirmed that she understood Concerto's reasoning for establishing a PMO and explained that the Department was actively considering the matter. The Sub-Panel was pleased to hear this and looks forward to learning the outcome.

**KEY FINDING 8** - The Sub-Panel's advisor (Concerto) found that a Programme Management Office was not in place to support the wider redesign process of health and social services. Some projects within the transformation programme have developed their own project infrastructure but these, so far, have been implemented on an ad hoc basis.

**RECOMMENDATION 3** - The Health and Social Services Department should look into establishing an appropriately resourced Programme Management Office to support the needs of the programme, the dependencies between the projects and provide a consistent framework to manage change across all projects.

#### The appointment of a Programme Director to the transformation programme

Concerto also noted that there was no identified Programme Director position within the governance structure working with the Senior Responsible Owner (in this case the Chief Executive Officer of Health and Social Services) to deliver the strategies contained in P.82/2012. Concerto observed that to some extent the functions of a Programme Director were being undertaken but the Senior Responsible Owner should clarify and formalise where the Programme Director's responsibilities sit if a single person is not appointed to this role.

The Sub-Panel was advised by the Chief Executive of Health and Social Services that there was already a Programme Director undertaking this role with the designation of Director of System Redesign and Delivery.

**RECOMMENDATION 4** - The Minister for Health and Social Services should clarify the role of the Director of System Redesign and Delivery and take any necessary steps to formalise responsibilities in this area.

<sup>51</sup> "What is a Programme Management Office?" information accessed at [www.finance-ni.gov.uk](http://www.finance-ni.gov.uk)

<sup>52</sup> "What is a Programme Management Office?" information accessed at [www.finance-ni.gov.uk](http://www.finance-ni.gov.uk)

## 9. The Preferred Site (Option F)

### Overview

The preferred site (option F) comprises the parts of the existing General Hospital currently occupied by Peter Crill House (administration block) and the Gwyneth Huelin out-patient buildings together with certain properties adjoining the current hospital and Patriotic Street carpark<sup>53</sup>. The footprint of the preferred site is around 10,000m<sup>2</sup>. Westaway Court will also be used and repurposed as the new out-patient facility providing total floor areas of 45,000m<sup>2</sup>.<sup>54</sup> The delivery time for the site has been estimated at 8 years<sup>55</sup>. Plans of the preferred site and Westaway Court can be found on pages 37 and 38.

### Concerto: Overall Assessment

Concerto has assessed the future hospital project and has concluded that the project is achievable, although the timescales are tight. Concerto consider the project as Amber at this stage, which means that: *“Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun<sup>56</sup>”*.

**KEY FINDING 9** - The Sub-Panel’s advisor assesses the future hospital project as Amber at this stage meaning the: *“Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun”*.

### **Challenges with the Preferred Site**

#### Disruption

P.110/2016 explains that issues with the preferred site, such as the potential for disruption caused by noise, dust and vibration during the construction phase have been identified and can be *“effectively mitigated”*.<sup>57</sup> A Senior Clinician was publicly quoted saying that the preferred option for the new hospital *“is the best compromise we have”* and *“there is going to be inconvenience and there is going to be noise. Hopefully, there are plans in place to mitigate against that as effectively as possible”*.<sup>58</sup>

The Sub-Panel asked the Project Director what work the Department has carried out in order to mitigate the disruption risks:

#### **Project Director, Jersey Property Holdings:**

*Hospitals are built in urban environments all the time around the world. Indeed the current hospital was built with adjacent buildings next to it being constructed afterwards. So that is not uncommon. Gleeds are familiar with many developments where this has happened. Indeed our own Jersey Property Holdings service is very familiar with developing major parts of the hospital in situ. So there are a number of different ways to manage and mitigate noise,*

<sup>53</sup> P.110/2016 “Future Hospital: Preferred Site”, lodged by the Council of Ministers, 19th October 2016, p.6

<sup>54</sup> P.110/2016 “Future Hospital: Preferred Site”, lodged by the Council of Ministers, 19th October 2016, p.6

<sup>55</sup> Public Hearing with the Minister for Health and Social Services Minister, 4th November 2016, p.11

<sup>56</sup> Concerto Report “Assurance Report Future Hospital Project, November 2016 (can be found in appendix one)

<sup>57</sup> P.110/2016 2016 “Future Hospital: Preferred Site”, lodged by the Council of Ministers, 19th October 2016, p.11

<sup>58</sup> Jersey Evening Post, 25th October 2016

*dust, disturbance. What we have done so far is we have identified all the sensitive receptors on the hospital site.*

**The Deputy of St. Ouen:**

*Sorry, what is a sensitive receptor?*

**Project Director, Jersey Property Holdings:**

*A sensitive receptor might be someone working in pharmacy or in pathology working on a microscope, for example, who has to concentrate very closely without vibration or noise interfering with their work. So working with colleagues [of the Hospital Managing Director and Project Director – Health brief] in the hospital we have identified who is sensitive and where we could relocate them, where we could reinforce the windows, where we could reorganise the Pathology Department to address those sorts of concerns. The last meeting we had, which was earlier this week, the clinicians were happy with where we were heading with regards to that particular department. There are lots of departments potentially affected but we work with each of them in term to identify their risk and manage and mitigate. Where we can we will use noise reduction measures in construction. It will be a Considerate Constructors Scheme and we have done that previously on the Island on very large constructions and the local economy and indeed international contractors are well used to those requirements going forward. So it is not something we are unfamiliar with on-Island or in the development market.<sup>59</sup>*

The Sub-Panel considers that the disruption to staff and patients during the construction phase should not be underestimated. It has closely questioned the Project Team on arrangements for mitigating that disruption, and it believes that the Team has understood the difficulties and is putting in place detailed plans to address them.

**KEY FINDING 10** – Disruption to staff and patients during the demolition and construction phases of the hospital should not be underestimated. Comprehensive planning will be needed to mitigate the disruption.

Timeline

Concerto consider that the future hospital project is achievable, although the timescales are tight: “[Concerto] recognise that early slippage can sometimes be recovered in later stages, but timescales for the early phases are very tight.”<sup>60</sup> The project plan produced by Gleeds has the end date for freeing up the site as July 2018 in readiness for the start of demolition in September 2018, but some interviewees from clinical services are planning to vacate the preferred site by December 2018. This indicates some slippage even at this preliminary stage.

Although during the interview process Concerto were told that work in these areas was progressing well, the project plan made available to them did not have sufficient detail to provide assurance that the target date is achievable<sup>61</sup>. Furthermore, Concerto also questioned the level of time contingency built into this phase of the project and the ability to deliver the £11 million of refurbishment activities within the 30 weeks set out in the current plan.

<sup>59</sup> Public Hearing with the Minister for Health and Social Services, 4th November 2016, p.16/17

<sup>60</sup> Concerto Report “Assurance Report Future Hospital Project, November 2016 (can be found in appendix one)

<sup>61</sup> Concerto Report “Assurance Report Future Hospital Project, November 2016, para 4.8 (can be found in appendix one)

**KEY FINDING 11** - The timescales for the future hospital project are tight, particularly its initial stages which comprise the decant, design, planning, refurbishment and relocation activities.

**KEY FINDING 12** – There may have already been some slippage in the target date for freeing up the preferred site in readiness for the start of demolition.

**KEY FINDING 13** - In order to free up the preferred site it is necessary to vacate and then refurbish Westaway Court and complete other critical works. Although plans are progressing well it is still too early to be assured that the target is achievable. The ability to deliver £11 million of refurbishment activities within the planned period is also a significant challenge.

### Securing Adjacent Properties

P.110/2016 explains that the preferred site is not fully in States of Jersey ownership and therefore there will be a need to secure some adjacent properties in Kensington Place. These are:

- 36-40 Kensington Place
- 44 Kensington Place
- Stafford & Revere Hotels<sup>62</sup>

The proposition indicates that compulsory purchase of these properties would be a last resort in the event that vacating or relocation arrangements could not be agreed<sup>63</sup>. The Gleeds report concludes that the preferred site is technically viable if supplemented by acquisitions in Kensington Place.

**KEY FINDING 14** – The preferred site is only viable if supplemented by acquisitions in Kensington Place. This represents a critical risk to the project.

### Use of Westaway Court

It is proposed to use Westaway Court as an outpatients facility both during the construction phase of the new hospital and also on a permanent basis thereafter. Concerto advised the Sub-Panel that the proposal to repurpose the building within a short timescale is a significant challenge. Clearly there will need to be good access to the facility bearing in mind that it will be heavily used by elderly and infirm visitors. The Sub-Panel was informed on separate occasions that parking facilities would be available for either 26 or 40 vehicles but it remained concerned that this was insufficient. Ministers confirmed that access arrangements were under careful consideration, one possibility being the provision of an internal transport system operating between Patriotic Street car park and Westaway Court<sup>64</sup>.

**KEY FINDING 15** – There is likely to be limited parking provision at Westaway Court. The distance between Westaway Court and Patriotic Street carpark is such that it may require a transport solution for outpatients.

<sup>62</sup> Gleeds Proof of Concept Report, September 2016, p.11

<sup>63</sup> P.110/2016 "Future Hospital: Preferred Site", lodged by the Council of Ministers, 19th October 2016, p.8

<sup>64</sup> Public Hearing with the Minister for Health and Social Services, 4th November 2016, p.42

## Planning

P.110/2016 explains that the current hospital site has a planning precedent for continued use, and is therefore believed to be well-aligned to current planning policy<sup>65</sup>. The Island Plan 2011 states<sup>66</sup> that proposals for the development of new or additional primary and secondary healthcare facilities or the extension and/or alteration of existing healthcare premises will be permitted provided that the proposal is:

1. Within the grounds of existing healthcare facilities, or
2. Within the Built-up Area
3. In exceptional circumstances, the provision of other specialist healthcare facilities is supported by the Health and Social Services Department, where it can be demonstrated that no other suitable site within the ground of existing healthcare facilities or the Built-up Area can be identified and where the rezoning of land for this purpose is approved by the States a draft revision of the Island Plan.

Concerto report that the Island Plan does not comment on the potential need for a new hospital and its policies focus on the re-use of sites for existing purposes. Furthermore that the preferred site “*will benefit from being crafted in such a way as to meet the policies set out in the Island Plan to avoid any delays at this stage. It is recognised that the refurbishment of Westaway Court also requires Change of Use and a probable Planning Application and that work has started to address these potential issues*”<sup>67</sup>.

The Minister for Infrastructure informed the Sub-Panel that an outline planning application for the development of the preferred site will be submitted before the detailed development and design work is brought to the States before the summer recess next year.

P.110/2016 notes that previously the site selection process had measured the performance of sites against an ideal 20,000m<sup>2</sup> ground floor footprint. During the Public Hearing with the Minister for Health and Social Services, the Sub-Panel was advised that the proposed footprint of the preferred site is around 10,000m<sup>2</sup> on the ground floor<sup>68</sup> meaning that the building will need to be higher:

**Minister for Health and Social Services:**

*“It is approximately half the size of the square metreage that we were looking at People’s Park and the waterfront. But because of that we have to go higher. So we end up with the same amount of square footage, or metreage to be modern”*<sup>69</sup>.

The Gleeds report acknowledged that the preferred site will need to be a multi-storey building due to the limited footprint available. The Planning Department has previously established height guidelines on buildings and Gleeds have indicated that these will need to be “*reviewed and relaxed*”<sup>70</sup> as the proposed height of the building on the preferred site is unusual for St Helier<sup>71</sup>.

**KEY FINDING 16** – The footprint of the proposed building on the preferred site has been reduced by 50% from an ideal 20,000m<sup>2</sup> to approximately 10,000m<sup>2</sup>.

<sup>65</sup> P.110/2016 “Future Hospital: Preferred Site”, lodged by the Council of Ministers, 19th October 2016, p.8

<sup>66</sup> Island Plan 2011, page 279

<sup>67</sup> Concerto Report “Assurance Report Future Hospital Project”, November 2016 (can be found in appendix one)

<sup>68</sup> Public Hearing with the Minister for Health and Social Services, 4th November 2016, p.57/58

<sup>69</sup> Public Hearing with the Minister for Health and Social Services, 4th November 2016, p.13

<sup>70</sup> Gleeds Proof of Concept Report, September 2016. Appendix 7 “Planning Assessment”

<sup>71</sup> Gleeds Proof of Concept Report, September 2016. Appendix 7 “Planning Assessment”



**KEY FINDING 17** - The preferred site challenges usual planning requirements. The reduced ground floor footprint has meant that the building will need to be taller than guidelines currently suggest as appropriate. In order for the successful delivery of the hospital on the preferred site, height guidelines established by the Planning Department will need to be relaxed.

## The Costs of the Preferred Site

### Indicative Costs

The capital cost of the new hospital has been estimated at £466 million. This estimate incorporates all main works to the main hospital, together with all related relocation and enabling works and associated fees<sup>72</sup>. P.110/2016 makes it clear that this estimate is an indicative estimate and further work will need to be carried out before a final cost can be provided. A breakdown of the indicative capital cost for the project was included in the Medium Term Financial Plan 2017 – 2019:

Cost element	2016 £m	2017 £m	2018 £m	2019 £m	2020 £m	2021 £m	2022 £m	2023 £m	Total £m
Main Works Cost	-	-	11.517	68.368	94.393	72.484	11.709		258.472
Fees	5.627	11.255	7.142	3.418	3.538	3.622	1.862		36.505
Non-works	0.205	8.755	1.263	0.058	0.913	1.102	4.265		16.560
Equipment	-	-	-	-	-	5.850	17.754		23.603
Contingency	-	-	4.016	23.838	32.912	25.273	4.083		90.121
Relocation works	0.789	21.810	12.495	-	-	-	0.685	4.592	40.371
<b>Project Total</b>	<b>6.621</b>	<b>41.819</b>	<b>36.433</b>	<b>95.683</b>	<b>131.755</b>	<b>108.370</b>	<b>40.357</b>	<b>4.592</b>	<b>465.631</b>

### What do the costs of the project include?

The Sub-Panel asked whether there may be some extra costs in addition to the £466 million quoted in the proposition. P.110/2016 explains that the costs include works required to repurpose the Granite Block, but not any other legacy buildings for non-clinical use i.e. costs do not include any future work to the 1960s block and the 1980s block along the Parade or to the engineering block.

Some key cost estimations are not included within the cost estimate<sup>73</sup>. For example, key worker accommodation arrangements have not been included in the costs and require further assessment. This need arises because there are currently up to 51 key workers within the Health and Social Services Department accommodated in Westaway Court<sup>74</sup> which is to be repurposed for clinical use. The Sub-Panel was advised during a Public Hearing that the Department was working with Andium Homes to develop key worker accommodation (or re-provision)<sup>75</sup>.

The Project Director informed the Sub-Panel that more detailed information should emerge when the preferred site has gone through the detailed design process (subject to States approval):

<sup>72</sup> P.110/2016: Future Hospital: Preferred Site, lodged by the Council of Ministers, 19th October 2016, p.12

<sup>73</sup> P.110/2016: Future Hospital: Preferred Site, lodged by the Council of Ministers, 19th October 2016, p.12

<sup>74</sup> Public Hearing with the Minister for Health and Social Services, 4th November 2016, P.25

<sup>75</sup> Public Hearing with the Minister for Health and Social Services, 4th November 2016, p.47

**Project Director, Jersey Property Holdings:**

*“There may well be some minor capital costs. We have done a proof of concept. We are now doing the briefing and during that process we get more and more detail and then we do the detailed design. You will be familiar with this.”<sup>76</sup>*

**The Waterfront Site (Option D) compared with the Preferred Site (Option F)**

Overview

The Waterfront site (option D) is located to the west of La Route de La Liberation and adjacent to the Radisson Blu Hotel. The site (Westwater, Zephyrus, car parking and Les Jardins de la Mer) overlooks St Aubin’s Bay to the west and both the Esplanade and Route de La Liberation to the north and east<sup>77</sup>. The delivery time for the Waterfront has been estimated at 6 years 8 months<sup>78</sup>. A plan of the Waterfront site can be found on page 39.

In the site option appraisal report prepared by Gleeds, the Waterfront site was the highest ranking site overall (excluding People’s Park)<sup>79</sup>. Therefore the Sub-Panel has considered this site as well as the preferred site in detail. When considering the Waterfront site it is noted that the site opposite is the location for the Jersey International Finance Centre and building works have already commenced in relation to this development.

Part of the Waterfront site has also already been earmarked for a housing development. Westwater is planned for development of two and three bedroom apartments and Zephyrus is planned for development of 59 residential units in five buildings<sup>80</sup>.

Concerto<sup>81</sup> provided a summary of the key differences for each site:

Issue	Option D - Waterfront	Option F – Redevelopment
Planning	Potential challenges on planning grounds, especially its impact on adjacent Financial Centre	Although not included in Island Plan, redevelopment of existing Healthcare site
Access and Parking	Access and parking would need to be addressed as part of the scheme. May need to include a 540 space car park	Patriotic Street car park may need to be extended. Site access through construction is more challenging
Relocation requirements	None	Will require significant enabling works (especially in Westaway Court) to facilitate development
Contamination / site clearance	Site is understood to be contaminated	Site requires demolition and identification of current services
Re-provision of Green spaces	Les Jardins de La Mer would need to be re-provided	Further opportunities could exist to add additional green spaces
Assets	Disposals including current hospital site	Acquisition of new sites and disposals including part disposal of current site

<sup>76</sup> Public Hearing with the Minister for Health and Social Services Minister, 4th November 2016, p.28

<sup>77</sup> Gleeds, Site Options Appraisal, April 2015, p.33

<sup>78</sup> Gleeds, Site Options Appraisal (Addendum), September 2016, p.5

<sup>79</sup> Public Hearing with the Minister for Health and Social Services Minister, 4th November 2016, p.4

<sup>80</sup> Information accessed at [www.jerseydevelopment.je](http://www.jerseydevelopment.je)

<sup>81</sup> Concerto Report “Assurance Report Future Hospital Project”, November 2016, para 3.7 (can be found in appendix one)



In the Quality Assurance report undertaken by Ernst & Young LLP dated 9th November 2016, the relative assessment of the Waterfront site compared to the preferred site is summarised<sup>82</sup> as follows:

- **Option D has a marginally lower Net Present Value than Option F**  
The lower cost of Option D is driven by a c. £20m saving on capex (capital expenditure), which can be attributed to the relocation works required under Option F, offset by a c. £10m additional non-clinical operating costs.
- **Both Option D and Option F offer similar Benefits**  
The similarity in raw benefits is to within 5 raw benefit points (less than 5% out of a maximum score of 150). Notable differences in Option F benefits include: higher score for massing and planning issues relating to site restrictions and availability; and lower score in Patient Disruption, Staffing and Support as well as Construction and Buildability.
- **Option D has a marginally lower Risk profile than Option F**  
Under Option F there are issues relating to construction risks arising from site restrictions, and the impact of site constraints and spatial compromise on clinical adjacencies and the safety of operations which are not prevalent in Option D.

**KEY FINDING 18** – The Waterfront option has a marginally lower cost than the preferred option.

**KEY FINDING 19** – The Waterfront option has a marginally lower risk profile than the preferred option.

**KEY FINDING 20** – Both the Waterfront site and the preferred site offer similar benefits.

### The Site Assessment Process

Concerto found that the evaluation of options D and F had been “*carried out in a fair, consistent and comprehensive way. The same requirement has been considered in the appraisal of both options and the evaluation process has been equitable*”<sup>83</sup>. However, the evaluations were conducted sequentially without evident comparison to each other. This has meant that a ready comparison of the options has been difficult to achieve. Concerto also considered that there was insufficient information to explain the results of the evaluations including the rationale behind the scoring or the interpretation of the final analysis. Furthermore, Concerto noted that further work had been carried out on option F when compared to other options and this has resulted in the anomaly that the area of the proposed building under option F is smaller than the equivalent in option D.

**KEY FINDING 21** – The Sub-Panel’s advisor found that the evaluation of the Waterfront site and the preferred site had been carried out in a fair, consistent and comprehensive way.

**KEY FINDING 22** – A comparison of the Waterfront site and the preferred site has been difficult to achieve because the evaluations of each site have been undertaken on a sequential basis without evident comparison.

<sup>82</sup> EY Additional Site Option Assurance Review, 9th November 2016, p. 2

<sup>83</sup> Concerto Report “Assurance Report Future Hospital Project”, November 2016, Executive Summary (can be found in appendix one)

### Why Option D is not the preferred option

The benefits of using the preferred site are explained in part 3 of the report to P.110/2016. The Sub-Panel has received more detailed explanations from the Project Team and it has heard nothing that would call into question those benefits. However the Sub-Panel wished to enquire why the preferred site had been chosen by the Council of Ministers in preference to the Waterfront site given that:

- The Waterfront site was found to be an equally viable site
- The capital cost of development was slightly less
- There would be minimal disruption to staff and patients

Regrettably P.110/2016 does not explain the reasons why the Council of Ministers rejected the Waterfront site and opted for the preferred site. The Sub-Panel considers this unhelpful in aiding understanding by States Members and the public. Unfortunately this does not build trust in the site selection process.

The Sub-Panel has, with some difficulty, attempted to draw out the reasons for rejecting the Waterfront site at its Public Hearings with Ministers. Some of the answers given to the Sub-Panel are set out below.

The Minister for Health and Social Services explained that during the States Members workshops, some Members indicated that “*politically the Waterfront for some was undeliverable*”.<sup>84</sup> The Minister also advised that the housing developments earmarked for Westwater and Zephyrus would generate “*significant income*” which appeared to add to the justification as to why this site was not taken forward as the preferred option:

**Minister for Health and Social Services:**

*“If we allow the development of the housing to go forward on the Waterfront, as planned in the Island Plan, then that is going to generate significant income. I will not say it will be directly used to pay for the hospital; that will help to pay. It is some money coming towards government income and will help to pay the £460 million bill for the new hospital.”<sup>85</sup>*

The Chief Officer of the Department for Infrastructure went on to explain:

**Chief Officer, Department for Infrastructure:**

*“One of the difficulties, and we discussed this in the political workshop if you recall, was regardless of which site comes out on top and how close it is, if there is a political discussion about whether the waterfront is in or out and it takes an additional 2 years, that is a massive cost to this project regardless of what the outcome was. Now the challenge the Council of Ministers face is there was a lot of resonance around extending the current site and that, they believed, gave them a quicker to market project, which we believe as well. The waterfront will not be quick to market because of the political challenge around it, and the people in this room know that challenge full well. So it was another massive risk to this project, way beyond the numbers here of a delay of an additional 2 years”<sup>86</sup>.*

<sup>84</sup> Public Hearing with the Minister for Health and Social Services Minister, 4th November 2016, p.4

<sup>85</sup> Public Hearing with the Minister for Health and Social Services Minister, 4th November 2016, p.5

<sup>86</sup> Public Hearing with the Minister for Health and Social Services Minister, 4th November 2016, p.7

There appears to be a further reason for option D being politically unacceptable:

**The Deputy of St. Ouen:**

*You referred earlier, Minister, to Members telling you the waterfront option was not politically acceptable. What were the reasons given to you?*

**The Minister for Health and Social Services:**

*The Constable of St. Helier is on record - on Hansard - as saying he regards the green space of the Jardins de la Mer in the same frame as he regarded the People's Park, and that we will have the same battle. He is not the only one but he is on record as saying that in the States<sup>87</sup>.*

Later on during the same Public Hearing, the Minister said:

**The Minister for Health and Social Services:**

*"The Constable has already told us, and other Parish Deputies have told us, Jardins de la Mer is as sacred to them as the People's Park"<sup>88</sup>.*

**KEY FINDING 23** – An important reason why the Waterfront site option was not taken forward as the preferred site even though it ranked highest was because it was seen by the Council of Ministers as politically undeliverable.

**KEY FINDING 24** – Ministers consider that a housing development earmarked for the Waterfront site could generate significant income

**KEY FINDING 25** – Although the Council of Ministers considered the Waterfront site option as politically un-deliverable, the possibility of using the site for the future hospital has never been brought before the States Assembly for debate.

Notwithstanding the Sub-Panel's findings relating to the political un-deliverability of the Waterfront site, there are also positive reasons for the choice of the preferred site. As noted above these are explained in part 3 of the report to P.110/2016.

For example, the Waterfront site was planned with 140 on site car parking spaces and a temporary provision at Elizabeth Terminal for 520 cars. In contrast the preferred site has the advantage of a public multi-storey car park immediately adjacent with a possibility of expansion. Furthermore, a bridge link access to the hospital from Patriotic Street car park would enable visitors to the hospital to enter on different floors. The Future Hospital Project Team has viewed this as *"a game-changer in terms of design"*<sup>89</sup> and appears to overcome the difficulties of accessing a hospital on the Waterfront site with limited parking.

Cost Comparison: Option D and Option F

In the Gleeds report the cost elements of option F total approximately £490 million<sup>90</sup> and option D approximately £470 million.

<sup>87</sup> Public Hearing with the Minister for Health and Social Services Minister, 4th November 2016, p.6

<sup>88</sup> Public Hearing with the Minister for Health and Social Services Minister, 4th November 2016, p.8

<sup>89</sup> Public Hearing with the Minister for Health and Social Services Minister, 4th November 2016, p.56

<sup>90</sup> Gleeds Proof of Concept Report, September 2016, p.36

**Deputy J.A.N. Le Fondré:**

*Is it fair to say that the differentiating cost between the option being preferred at the moment in terms of what is going to the States - there is a follow-up question to this - and what seems to have been the best performing option, so let us say option F and option D, is roughly £20 million.*

**Project Director, Jersey Property Holdings:**

*In CAPEX terms, correct.<sup>91</sup>*

The Sub-Panel notes that this cost in relation to option F is different to the figure contained in P.110/2016 - £466 million. The Project Director explained that the differential between the two figures for option F was due to adjustments to take account of lower than anticipated inflation rates. However the calculation for the comparable adjustment for option D had not been undertaken:

**Deputy J.A.N. Le Fondré:**

*“So essentially the £466 million is the equivalent ... £490 is now £466?”*

**Project Director, Jersey Property Holdings:**

*Correct.*

**Deputy J.A.N. Le Fondré:**

*Can I therefore ask: what would be the equivalent for option D?*

**Project Director, Jersey Property Holdings:**

*We have not done that calculation but it would be proportionally similar<sup>92</sup>.”*

**KEY FINDING 26** - The differential cost between the preferred site and the Waterfront site is approximately £20 million as identified by Gleeds.

However the evaluation of the preferred site has been developed further than the alternative sites on the short list. Concerto explained: *“...each of the options has been developed in sequence and it would appear that option F has been developed further than the alternative option D. One of the impacts of this further development appears that the construction project under option F is based on a smaller size in square meters, which would affect the construction costs. This may be a function of delivering option F over two sites – which would include Westaway Court.”<sup>93</sup>*

Inevitably, questions have arisen as a result of this. Could the further work on the preferred site evaluation have also been carried out in respect of the Waterfront option and what would be the impact on costs?

The Sub-Panel asked the Project Director about the impact on costs during a Public Hearing and was advised that the area of the building proposed on the preferred site had been reduced by approximately 2,000m<sup>2</sup> which would result in a reduction of approximately £20 million in the construction costs.

The Minister for Health and Social Services informed the Sub-Panel that an exercise had been carried out to ascertain whether the further evaluation work on the preferred site could also be applied to the Waterfront site. However it became apparent during the exercise that this would not be feasible. The main reasons for this were:

<sup>91</sup> Public Hearing with the Minister for Health and Social Services, 4th November 2016, p.12

<sup>92</sup> Public Hearing with the Minister for Health and Social Services, 4th November 2016, p.12

<sup>93</sup> Concerto, Assurance Report, November 2016, para 3.26 (can be found in appendix one)

1. A different hospital configuration on a differently shaped site. A taller hospital on a smaller area of the Waterfront site would result in parts of the central core of the building having no natural light; and
2. The Waterfront site does not have the advantage of a public multi storey car park adjacent to it, enabling the creation of multiple entry points. Instead it would need a large reception area from which visitors would disperse to other areas of the building; and
3. For technical reasons the Waterfront site would need two energy centres but the preferred site could be developed with one.

**KEY FINDING 27** – The cost of the preferred site has been reduced by approximately £20 million as a result of planning for a smaller sized building. No such work has been carried out at the same level of detail on other options.

### Relocation Costs

The Sub-Panel notes that there are no relocation costs in relation to the Waterfront site. In the Gleeds report, it details off-site highway improvements of approximately £9.5 million<sup>94</sup> (which includes a cost for a 520 space temporary carpark) and other non-works costs of £13 million (which includes a cost for the replacement of Jardins de la Mer) – these elements could be described as costs necessary to make the site possible. In comparison to the preferred option which does require significant relocation works, Gleeds details the total relocation costs (which includes remodelling Westaway Court) of approximately £44 million<sup>95</sup>:

**Deputy J.A.N. Le Fondré:**

*“Right, okay. So just to be not too simplistic but am I wrong in saying that that is about £22 million to £23 million in total in relocation works as opposed to £44 million for the existing site?”*

**Project Director, Jersey Property Holdings:**

*That is about right<sup>96</sup>.*

**KEY FINDING 28** - There are no relocation costs in relation to the Waterfront site. The approximate costs necessary in order to make the Waterfront site possible are approximately £23 million compared to required relocation costs of the preferred site of approximately £44 million.

### **Funding**

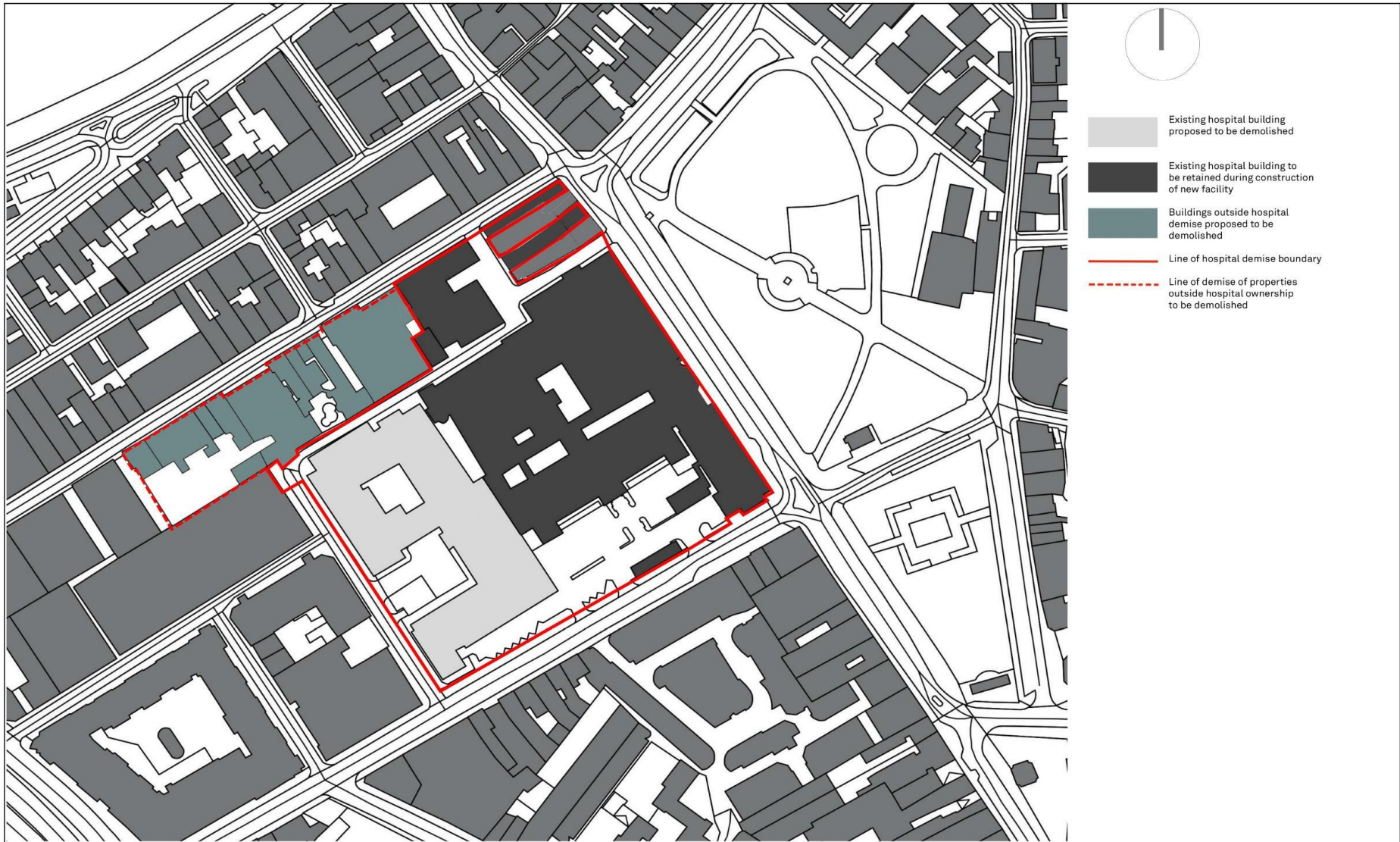
At the time of drafting its report the Sub-Panel had not received any proposals for the funding of the future hospital and thus it is unable to comment on that issue. However, the Sub-Panel notes that the life cycle cost appraisal carried out on all options (expressed as a Net Present Value) did not include any allowance for the cost of funding the future hospital project.

<sup>94</sup> Public Hearing with the Minister for Health and Social Services, 4th November 2016, p.36

<sup>95</sup> Gleeds Proof of Concept Report, CO025, August 2016, Appendix 15

<sup>96</sup> Public Hearing with the Minister for Health and Social Services, 4th November 2016, p.36

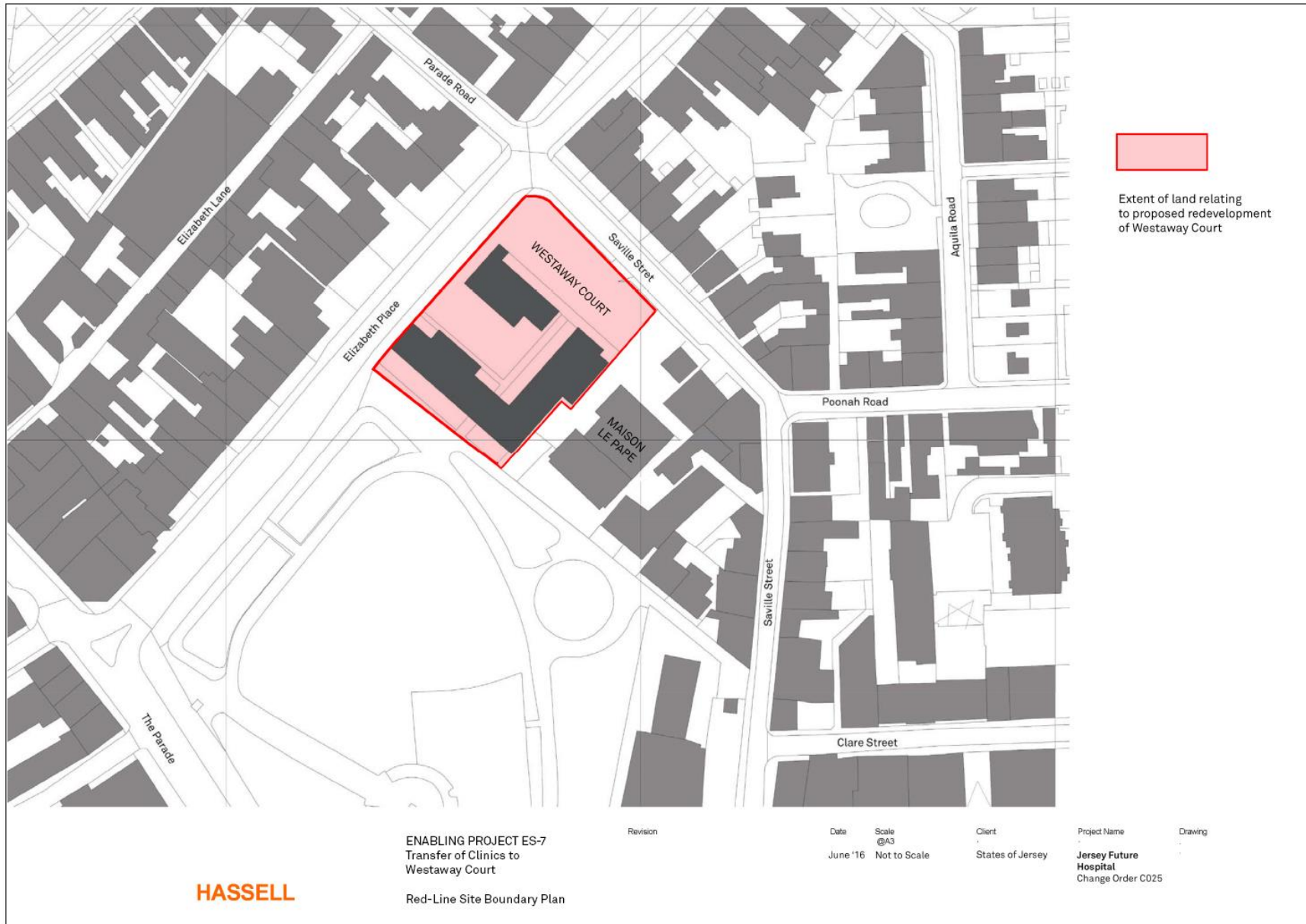




- Existing hospital building proposed to be demolished
- Existing hospital building to be retained during construction of new facility
- Buildings outside hospital demise proposed to be demolished
- Line of hospital demise boundary
- Line of demise of properties outside hospital ownership to be demolished

HASSELL

Revision	Date	Scale	Client	Project Name	Drawing
B	June '16	@A3 Not to Scale	States of Jersey	Jersey Future Hospital Change Order C025	



**HASSELL**

ENABLING PROJECT ES-7  
 Transfer of Clinics to  
 Westaway Court  
 Red-Line Site Boundary Plan

Revision

Date Scale  
 June '16 @A3  
 Not to Scale

Client  
 States of Jersey

Project Name  
 Jersey Future  
 Hospital  
 Change Order C025

Drawing





**WATERFRONT  
SITE BOUNDARY**  
— Line of site boundary



**HASSELL**



## 10. Conclusion

The study undertaken by the Sub-Panel's advisor, Concerto, concludes that the preferred site for the new hospital is achievable, although the timescales are tight. Concerto consider that the project should be flagged up as Amber at this stage. This means that: *“Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun”*.

As with all the other options, there are challenges with the preferred site, namely the timescale, planning requirements, securing adjacent properties and the noise and disruption to patients and staff due to the close proximity of building a new hospital adjacent to an operational one.

The Sub-Panel does not reach its own recommendation as to whether the preferred site for the new hospital should be accepted by the States Assembly. However, there is no doubt that the current General Hospital building is deteriorating and does not meet modern standards. It is clear that a new hospital is needed urgently in order to meet the care needs of Islanders now and in the future.

## 11. Appendix 1

### Concerto Report

# *Assurance Report*

## *Future Hospital Project*

**Version number:** 1.0

**Status:** FINAL - Issued to the Scrutiny Panel

**Date of Issue to Scrutiny Panel:** 14 November 2016

**Chair of Scrutiny Panel:** Deputy RJ Renouf

**Client:** States of Jersey

**Review dates:** 7 -11 November 2016

---

**Review Team Leader:**

Stephen Foot, Concerto Partners LLP

**Review Team Members:**

Jane Austin, Concerto Partners LLP

Bill Yardley, Concerto Partners LLP

The authors acknowledge that this report is based upon a Cabinet Office document “Gateway Review 0 V4.0 (High Risk Delivery)” dated June 2008.

## Executive Summary

The Future Hospital Project (“the Project”) is part of an ambitious programme to transform the whole healthcare system in Jersey. The compelling case for change is fully supported by a committed and motivated team.

The Review Team believe that the Future Hospital Project is achievable, although the timescales are tight. The Review Team assesses the project as **Amber** at this stage, which means that *“Successful delivery appears feasible but significant issues already exist requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun”*

The rationale behind this assessment is:

- a. The Project is tight in terms of timescales. The Review Team recognise that early slippage can sometimes be recovered in later stages, but timescales for the early phases are very tight;
- b. The Project is the largest that Jersey has ever undertaken and at a capital cost of £466m, represents approximately 60% of the annual tax revenue of the island;
- c. There is a strong team in place, albeit the Review Team recognises that there are areas where this could be strengthened;
- d. Major risks and issues appear to have been identified, although they have not yet been resolved; and
- e. The success of the Project is dependent on achieving success in all of the other projects within the wider Health & Social Services Departmental Strategy (P.82/2012).

The Review Team have found that:

- (i) The evaluation of the two remaining site options under active consideration has been carried out in a fair, consistent and comprehensive way. The same requirement has been considered in the appraisal of both options and the evaluation process has been equitable. Where anomalies have emerged, further scrutiny may be required - for example it would appear that the Redevelopment option is based on a smaller construction footprint than the alternative (Waterfront) site.
- (ii) Risks are identified in a Project Risk Register. The project team have recently been advised by an independent adviser to review and streamline risk reporting. This is endorsed by the Review Team. It has been noted that the Project timescales for the early stages of the Redevelopment Option F are tight.
- (iii) In light of the scale of the project, its leadership would benefit from strengthening in the area of Construction Management in a Healthcare context. In addition, the wider transformation programme to deliver the objectives set out in the Strategy (P.82/2012) could benefit from strengthening its wider governance structure, formalising key roles, and the addition of a Programme Management Office (PMO). This new Office would support the needs of the programme, the dependencies between the projects and provide a consistent framework to manage change across all projects.

## 1. Introduction & Terms of Reference

- 1.1 The States Assembly is expected to make a final decision on the proposed site for the new hospital on 29/30 November, 2016. In advance of that, the Scrutiny Panel is holding a Public Meeting on 16 November, and they commissioned Concerto Partners LLP to examine and report upon the benefits, risks and costs of a new build hospital on the preferred site (Extended Current Site Option F) making comparisons with other options on the earlier shortlist. The initial Terms of Reference for the review included such matters as:
- a) The reduced footprint of the building and the effect on clinical adjacencies;
  - b) Ensuring future flexibility and possible expansion;
  - c) Disturbance to the remaining hospital during building works and the associated risks;
  - d) Relocation of services, training and administration;
  - e) The impact of the creation of a dual site hospital by the use of Westaway Court; and
  - f) High level analysis of costings and the anticipated revenue costs of the project.
- 1.2 At the Planning Day, held on 3 November, the Scrutiny Panel agreed to refine these topics to focus on the site options of D (the proposed Development of the Waterfront) and F (the redevelopment of the existing sites). It was agreed that this review would not be required to address any of the issues concerning the discarded sites options A (Dual Site Overdale), B (Overdale), C (General Hospital) and E (People's Park). The review would provide responses on:
- (i) The assessment process used to evaluate Options D and F. Specifically, it would review whether a consistent approach was used to evaluate the two options and whether the process was fair and reasonable. It would seek to identify that the two options were being considered on a like for like basis and that the process was consistent. The Review Team would also be invited to use their judgement to assess whether sufficient allowance was made for key aspects of the schemes;
  - (ii) The risks associated with each of the two options and the processes in place to address and manage those risks; and
  - (iii) Next Steps in the development of the Future Hospital.
- 1.3 The Review was conducted by Concerto Partners LLP (the Review Team) in the week of 7 November and followed, as far as possible and practical, the principles of the Gateway™ Review. The team members are set out on the front cover and the list of interviewees is set out in Appendix 1. The Review Team would like to thank all interviewees for their support and openness throughout this process which has contributed to the Review Team's understanding of the project and the outcome of this review. The Review Team would like to highlight the support that they have received from Kellie Boydens and Philippa McAndrew throughout.

## 2. Strategic Context

- 2.1. The Review Team recognises the extent of the ambition of this exciting project and found much to commend on its progress to date. The Future Hospital Project (“the Project”) is a significant part of a much bigger transformation programme that will transform every aspect of how health care is delivered in the States of Jersey and there is a compelling case for change. The Review Team found wholesale support for this wider change programme and the Department is actively pursuing opportunities in parallel with the Project to transform all healthcare services. At £466m the Project represents the largest project ever undertaken in Jersey and represents some 60% of the annual tax revenue on the island. Whilst part of the Health and Social Services Department Strategy (P.82/2012), the Project’s success is critically dependent on other projects within the strategy. A prompt commitment to selecting the proposed site would enable this Project, and the wider Transformation Programme, to continue at pace.
- 2.2. With the support of external advisers, the Project has undertaken a considerable amount of analysis over the years. A number of site options have been considered and the current documentation continues to identify six potential options for the site of the new hospital. This includes three options (Options A, B and C) that have been discarded on the basis of the results coming from the evaluation process. Option E scores highest in the Evaluation Model in almost all categories but has been discarded on the grounds that it is not a viable option. Continuing to include these four discarded Options in the final Evaluation Model, which compares Options D and F, is unhelpful.
- 2.3. Considerable work has been carried out in developing Options D and F and understanding the dependencies to enable their success. A summary comparison of the two options under consideration is set out in the table below:

<b>Criteria</b>	<b>Option D - Waterfront</b>	<b>Option F - Redevelopment and new build on existing hospital estate</b>
Construction	New Build	Redevelopment of existing hospital site
Time scale	6 years	8 years
Enabling Works	Reclaimed Brown Field Site	Requires decant of existing users and site clearance/demolition
Site Clearance	Site is understood to be contaminated	Disruption to existing Hospital Services
Ownership	Fully-owned	Part-owned - Requires series of small acquisitions

*/cont'd*

Criteria	Option D - Waterfront	Option F - Redevelopment and new build on existing hospital estate
Political/Economic	Impact on the Financial Centre and alternative use	Limited
Planning	Potential conflict with the Island Plan	Redevelopment of an existing site used by the hospital
Capex Costs '£m	470	490 <sup>(a)</sup>
NPV over 60 years '£m	4002	4010
Weighted Benefits <sup>(b)</sup>	3.78	3.72
Weighted Risks <sup>(c)</sup>	3.06	4.10

(a) Note: This Capex figure has now been reduced to £466m as a result of adjustments for inflation. It is assumed that the comparable cost for Option D would come down by a similar amount.

(b) A higher weighted benefits score denotes a more favourable option

(c) A higher weighted risk score indicates a less favourable option

The table below sets out more detail on the risks scores between the two options under consideration:

Category	Weightings	Option D	Option F
Planning	3.6	0.4	0.2
Transport	8.8	0.3	0.2
Services	10.4	0.2	0.2
Clinical	28.8	1.0	1.6
Staff & Patients	40.8	0.7	1.7
Construction	2.8	0	0.3
Development Opportunities	4.8	0.5	0
<b>Total</b>	<b>100.0</b>	<b>3.1</b>	<b>4.1</b>

The biggest single difference between the two options is in Staff & Patient experience which also carries the largest weighting. Within the sub-category, the biggest single difference in risk scores relates to “fixed points in the site constraining activities...” This is possibly a reflection of the retention of listed buildings within the Redevelopment option.

- 2.4. The Review Team noted that in developing the options appraisal, the evaluation model was run on a sequential basis for each option in turn without evident comparison to options that had been previously evaluated. This has meant that a ready comparison of the options is difficult to achieve without matching the two sets of documentation alongside each other – notably Change Request 25 (CR025) and Change Request 4 (CR04).
- 2.5. The Review Team have found limited commentary to explain the results of the evaluation model, setting out either the rationale behind the scoring or the interpretation of the end

results of the analysis. The Review Team believe that a supporting narrative would assist key decision makers in their assessment of the Options. It would also provide a sound basis for subsequent broader communications to stakeholders within the three Departments (HSSD, Treasury and Infrastructure), other parts of government and the general public.

### 3. The Evaluation Process

3.1. This section addresses the process that was used to evaluate the two options. In the ensuing paragraphs, we comment on the overall process that was used and then address any issues that affect each of the options in turn. The final part of this section reviews some of the costs and revenues identified in the model and provides a high level commentary on them.

#### *The Evaluation Model*

3.2. The Review Team found that the same evaluation has been carried out for all options under consideration. Throughout the evaluation has been carried out using the Generic Economic Model (GEM) and it has been run over the years by a wide selection of external advisers including KPMG, Atkins and, most recently, by EY and Gleeds. This process has delivered consistent results throughout.

3.3. The Review Team found that this process has been fair and comprehensive throughout and that key aspects have been addressed in the evaluation in a consistent fashion. The agreed Acute Service Strategy (2015-2014) and the outline requirements for the new hospital derived from this strategy have been consistently applied to both options. The Review Team note that there is a degree of subjectivity in each of the underlying scores that are used in the Evaluation Model but believe that these have been consistently applied in both cases.

3.4. As noted above, each option was developed on a sequential basis and the latest option to be evaluated has been Option F – Redevelopment of the existing site. In doing so, it is apparent that further work has been carried out on Option F when compared to the alternatives and this has resulted in the new build under Option F being smaller than the equivalent in Option D. This could be as a result of some form of Value Engineering of Option F, whilst maintaining the output requirements or it could be related to a dual site option including Westaway Court.

3.5. The option that scored the highest in almost all categories under assessment, and is the highest scorer overall, was not a viable option from the outset. Its continued inclusion in the summary tables is unhelpful as it suggests that the two options now under active consideration are sub-optimal.

3.6. The Review Team note that the scores for the two options under active consideration (D and F) are very finely balanced and no firm conclusion as to the preferred option could be derived by studying the numbers alone. (This is supported by the EY Option F Evaluation Process Review, 9 November 2016). At a summary level, the Review Team found that the scoring in each category was extremely close and this tended to mask the significant differences in the schemes, which are evident at a more detailed level. The Review Team have not seen a narrative that explains the differences in the scoring model and believe that this would bring clarity to the evaluation and help the decision making process.



3.7. The Review Team believe that the key differences that need to be considered in the final site selection are:

- a. States Members’ views on the alternative uses for the Waterfront site (Option D) and the implications for the proposed Financial Centre on the adjacent site; and
- b. States Members’ views on the challenges of developing Option F and its enabling works.

A summary of the key differences for each site are listed in the table below:

Issue	Option D - Waterfront	Option F – Redevelopment
Planning	Potential challenges on planning grounds, especially its impact on adjacent Financial Centre	Although not included in Island Plan, redevelopment of existing Healthcare site
Access and Parking	Access and parking would need to be addressed as part of the scheme. May need to include a 540 space car park	Patriotic Street car park may need to be extended. Site access through construction is more challenging
Relocation requirements	None	Will require significant enabling works (especially in Westaway Court) to facilitate development
Contamination / site clearance	Site is understood to be contaminated	Site requires demolition and identification of current services
Re-provision of Green spaces	Les Jardins de La Mer would need to be re-provided	Further opportunities could exist to add additional green spaces
Assets	Disposals including current hospital site	Acquisition of new sites and disposals including part disposal of current site

*Planning and the Island Plan*

3.8. The Island Plan states that:

*“Proposals for the development of new or additional primary and secondary healthcare facilities or for the extension and/or alteration of existing healthcare premises will be permitted provided that the proposal is:*

- 1. *within the grounds of existing healthcare facilities, or*
- 2. *within the Built-up Area.*
- 3. *in exceptional circumstances, the provision of other specialist healthcare facilities is supported by the Health and Social Services Department, where it can be demonstrated that no other suitable site within the grounds of existing healthcare facilities or the Built-up Area can be identified and where the rezoning of land for this purpose is approved by the States as a draft revision of the Island Plan.”*

This policy is likely to provide greater challenges for the new build on the Waterfront.

**Option D - Development of the Waterfront**

*Note: The supporting narrative and data for Option D has not been developed as far as the preferred Option F.*

*Planning Issues*

3.9. The potential Waterfront development would be on a reclaimed site that has been proposed as part of the longer term development set out in the Esplanade Quarter Master Plan. The Island Plan omits any mention of the potential need for a new hospital and its policies focus on re-use of sites for existing purposes, unless otherwise covered within the Island Plan. Development on this site is likely to include greater Planning challenges than a redevelopment of the existing hospital site – albeit the Review Team noted that this potential issue was understood by the Project.

#### *Access and Parking*

3.10. Access to the construction site by contractors will be simpler than Option F (the redevelopment) as it is a reclaimed Brown Field Site and this is reflected in the evaluation model. In addition, other than loss of amenity land on the Waterfront, the general public will not be significantly impacted through the construction period. Access to the current hospital will continue unimpeded and patients, staff and visitors will not be impacted.

3.11. Once the development is complete, there is some uncertainty over access to the new hospital, the potential requirement for a 540 space car park for the site and ease of access by public transport. It is expected that these outstanding issues would need to be resolved during the detailed design and development stages.

#### *Relocation*

3.12. The development of the hospital on the Waterfront is not predicated by any demands for prior relocations. This simplifies the construction project, resulting in a project that takes less time and is lower cost than the redevelopment option (F). These differences are adequately reflected in the Evaluation Model. However, in excluding these from its scope, the option does not reap any associated system-wide benefits.

#### *Contamination and Site Clearance*

3.13. The Review Team were advised that the Waterfront site should be treated as a contaminated site. It is understood that provision for dealing with this contamination is included in the evaluation, although the Review Team were unable to ascertain the details.

### *Re-provision of Green Spaces*

3.14. Development of the Waterfront as currently envisaged would require building on Les Jardins de La Mer and this would need to be re-provided in the event that this site was selected. The Review Team understands that this is included in the Evaluation Model.

### *Assets*

3.15. The Waterfront development will provide the opportunity for the Project to dispose of the current asset that is the existing hospital site. The capital receipts are included in the Evaluation Model.

## **Option F - Redevelopment of the Existing Site**

### *Planning Issues*

3.16. The Island Plan omits reference to the proposed development of a new Hospital. Redevelopment of the current site will benefit from being crafted in such a way as to meet the policies set out in the Island Plan to avoid any delays at this stage. It is recognised that the refurbishment of Westaway Court (cost £11m) also requires Change of Use and a probable Planning Application, and that work has started to address these potential issues.

### *Access and Parking*

3.17. Public Access to the site will inevitably become more difficult throughout the construction period. If the potential extension of the car park in Patriotic Street is included in the scheme, there will be further disruption as parking becomes more limited during this phase.

3.18. Contractor access to the site will need to be carefully managed, although the Review Team noted the recent development on the other side of Gloucester Street was conducted without undue disruption to the Hospital. It is expected that similar arrangements could be developed for the Future Hospital Project.

### *Relocation Requirements*

3.19. The Project recognises that extensive enabling works (cost £44m) will need to be completed before site clearance can begin in advance of the main construction project. Although risks exist around these works, they have been identified in the Evaluation Model. These include, but are not limited to, the relocation of services to a refurbished Westaway Court and the impact of the demolition and construction projects on occupants of the current hospital.

### *Contamination and Site Clearance*

3.20. The Project plan envisages that demolition will be undertaken by a local contractor(s) once the site has been cleared. Following demolition, the Project will be able to provide the appointed contractor with a clean site for the ensuing construction work. This significantly lowers the risks that the construction partner will need to take on by transferring the risk in house. This is recognised within the Evaluation Model. Prior to starting this process, clear identification of critical services will need to be completed and shared with the construction partner. It should be expected that the demolition and refurbishment activities could well include the removal of hazardous waste such as asbestos and full provision should be identified in the plans.

#### *Re-provision of Green Spaces*

3.21. There is no requirement under Option F to provide further Green spaces.

#### *Assets*

3.22. Option F includes acquisitions of new sites and the potential for disposal of half of the current hospital site. Both are included in the Evaluation Model.

3.23. The Evaluation Model includes a one off £5m receipt covering the part of the hospital site that will remain after the new build is complete. The Review Team were told that no decisions had been made on the future use of this site and that there are no plans currently under consideration to realise this capital receipt.

3.24. The Review Team observed that including the possible subsequent redevelopment of these redundant buildings could be included in a Private Developer Scheme. This could be used to increase the attractiveness of the proposition to the market and could also be used as a way of reducing borrowings on the overall project. However, the Review Team believe that considerations for future use of the redundant buildings on this site should not be allowed to impede progress on Option F if chosen.

#### *Financials – Observations and Comments*

3.25. The key financial numbers that have been used for the evaluation are the Capital costs and the Net Present Value (NPV) of 60 years. All Development proceeds and other land disposals are included in the NPV calculations and as such do not have a material impact over the 60 year evaluation period. Equally any sensitivities do not have a dramatic impact on the 60 year NPV calculation.

3.26. As noted in para 3.4, each of the options has been developed in sequence and it would appear that Option F has been developed further than the alternative Option D. One of the impacts of this further development appears that the construction project under Option F is based on

a smaller size in square metres, which would affect the construction costs. This may be a function of delivering option F over two sites – which would include Westaway Court.

3.27. The table below sets out, at a high level, the summary financials relating to the two options:

<b>Cost Item</b>	<b>Option D' £000</b>	<b>Option F '£000</b>
Works Cost Summary	194,972	171,778
Location Adjustment	46,793	41,227
Fees	68,842	66,020
Contingency	31,061	33,483
Optimism Bias	37,583	40,626
Inflation	84,088	68,752
Relocation inc Inflation	nil	44,025
<b>Total</b>	<b>463,339</b>	<b>465,910</b>

Excluding Inflation, Option D carries provision for contingency (including Location Adjustment, Contingency and Optimism Bias) of £115m, against a works cost of £194m or about 60%.

The comparable figures for Option F are £115m, against a works cost of £171m or about 67%

3.28. The Review Team considered the reasonableness and treatment in the Net Present Value (NPV) calculations of the disposal receipts from land in the Waterfront area. The NPV for Option F, as set out in CR025 Proof of Concept Site Option Addendum (Appendix 19 Investment Summary July 2016) has a receipts section which includes an assessment of the receipts that could be available to Option F if the Waterfront Option D was not taken forward. These receipts, which are substantial, are rightly included to cover the potential financial benefit from the disposal of the Waterfront site and associated developers profit should the new hospital be built on the existing site. The Review Team formed a view that the amounts included and the speed of their realisation were probably best case and the most optimistic outcome. However, if these disposal receipts were reduced and/or delayed there would not be a significant impact on the 60 year NPV calculations.

## 4. Risk Management

- 4.1. The first part of this section (paras 4.2-4.5) provides a commentary on the risk management process used by the project and the second part (paras 4.6-4.12) describes some of the specific risks that the project will need to address.
- 4.2. A Risk Management process is in place for the Project and there is an established Risk Register in which risks are identified, categorised and quantified in terms of probability and impact. The register appears appropriately populated for a project of this complexity, at this stage in its life cycle. The extracts provided to the Review Team focus primarily on the enabling, transitioning and relocation activities in quartiles 1 and 2. However, the time frames are not defined in the documents available to the Review Team and it is not clear when each risk is likely to crystalize.
- 4.3. Risks are assigned an owner but the individual risk owners are not explicit in the register extracts and risk reports available to the Review Team. The highest risks (coded black) are reported to the Political Oversight Group (POG) and monitored by the Project Board. Red-coded risks are reported to the Project Board and monitored by the Client Project Team.
- 4.4. It is noted that at the last three meetings of the Project Board a total of 29 risks (covering quartiles 1 and 2) were included in the Governance Pack for the Board but there appears to be no easy way of identifying risk movements from one month to the next. It is surprising to see such a large number of risks being routinely reported to the Project Board and this raises a number of concerns and queries e.g. Are risks being owned and managed at the appropriate level within the Project's governance structure? Is the risk management and escalation process working effectively?
- 4.5. Project dashboards and exception reporting are valuable tools in ensuring executive attention is focussed on the right things, at the right time. These tools typically include a traffic light system (RAG-Red/Amber/Green) showing the status of the project and progress against key milestones on the project's critical path, risk movements, resources and financial summaries. The Review Team has been unable to verify if this type of executive level reporting is presented to the Project Board but it understands that, on the advice of an independent adviser, a full review of risk reporting is to be undertaken by the Project Director for Delivery.
- 4.6. The Future Hospital Project is a complex, high cost project with a high level of ambition, and multiple moving parts and critical inter-dependencies. By definition, it carries a number of inherent risks.

- 4.7. Many of those interviewed identified the failure to secure and sustain approval to proceed with Option F as the top-rated risk to the Project. Should this risk materialise and the Project is subject to further delay, the strategic objectives identified in P.82/2012 and the Acute Service Strategy 2015-2024 (ie to provide a safe, sustainable and affordable hospital for the Island) would be severely compromised. Continued delay will also result in increasing costs, and the collateral damage could be far-reaching (eg disenfranchising the clinicians and other key stakeholders, losing valuable staff and failing to attract and retain new ones due to the poor, deteriorating state of the current hospital buildings and the increasing risk to patient safety).
- 4.8. According to the current plan, the decant, design, planning, refurbishment and relocation activities need to be completed by July 2018. Based on the Review Team's knowledge and experience of similar projects, this timescale (20 months) is extremely challenging and the risk of slippage is very high. The Review Team were told that work in these areas is progressing well. However, the extracts from the Project plan made available to the Review Team did not have sufficient granularity to provide assurance that the target date is still achievable. There appears to be little, if any, time contingency built into this phase of the Project and the Review Team questions the ability to deliver £11m of refurbishment activities within the 30 weeks set out in the current project plan.
- 4.9. The Review Team also noted that opinions varied on some of the timescales (eg The current project plan has the end date for freeing up the site as July 2018, in readiness for the start of demolition in September 2018. Interviewees from the clinical services were working to a decant date of December 2018.) That said, any slippage early on in a project can potentially be recovered in later phases and the Review Team were informed by the advisers that the plan for the main construction phase does include some float (time contingency) which may help to mitigate the risk of delay in this early phase.
- 4.10. The critical path for the delivery of the new hospital is also likely to include planning approval, particularly at the outline stage. The Island Plan does not identify a new hospital but the Review Team were given some reassurance that work was already underway informally to address this omission. However, planning matters are not in the direct control of the project team and, given the scale of the investment, there is always a possibility that there could be a Public Enquiry and/or the prospect of Judicial Review. The timings for these are invariably difficult to manage.

- 4.11. At the outset, the Review Team was also concerned about the very real risk of “scope creep” (one of the major causes of project failure) but during the course of the interviews it became apparent that a number of measures are being put in place to mitigate this risk eg retention of the Project’s contingency fund within Treasury, and the establishment of a value management/change control framework, based on the safety, sustainability, affordability and value for money (VfM) criteria. This is to be commended.
- 4.12. This is a high value, exciting and ambitious project which should attract high levels of interest from potential bidders, but it will require a strong marketing campaign to generate this interest. To ensure a positive response from the market, the Future Hospital Project will need to deliver a clear and unequivocal message that the Island community is fully behind the Project, and that Ministers and officers are fully committed to realising the ambition.



## 5. Next Steps

- 5.1. This section of the report includes progress to date and takes a forward look at the next steps in order to inform the Scrutiny Panel of the key issues for the Future Hospital Project, assuming the States Assembly takes a decision in favour of Option F as the proposed site for the new hospital at their meeting on 30 November 2016. While some of the following commentary would be relevant to any of the site options, much of it applies only to Option F, as other options have not been developed to the same level of maturity by the project team.
- 5.2. The commentary is considered in the context of the wider Health and Social Services Transformation Programme and goes on to consider key aspects of that programme which impinge on the Future Hospital Project. It is important to recognise that the overall programme is ambitious by any measure and represents a considerable leadership and communication challenge for those involved.

### *Current Phase*

- 5.3. The Project benefits from top level ownership and strong senior leadership and it is seen as a major component of the overarching Health and Social Services Strategy (P.82/2012). The Project is supported by a small, dedicated team of skilled individuals who are held in high regard by the clinical body and the wider stakeholder community.
- 5.4. Expert advisers and health planners have been brought in to undertake the complex activity analyses and data modelling. Those interviewed were confident that the demographic changes and hospital activity projections were evidence-based and that assumptions underpinning the size and capacity requirements for the future hospital (eg in terms of floor area, bed numbers, clinic activity and theatre utilisation, adjacencies) were sound.
- 5.5. Key elements of the Acute Service Strategy (2015-2024) are (i) admission avoidance, (ii) admission prevention, (iii) early discharge and (iv) the delivery of a new hospital that will be safe, sustainable and affordable. These ambitions are clearly predicated on delivery of whole system reform and transformation, and the development and implementation of integrated models of care across acute, community, mental health, primary and social care, and the third sector.
- 5.6. In this context, the Review Team were encouraged to see that key performance indicators<sup>97</sup> (metrics) were being developed across the health and social care landscape to monitor the outcomes from the first phase of a three-phase community project which includes, for

---

<sup>97</sup> These included **capacity** indicators (such as bed occupancy and theatre utilisation), **patient flow** measures (such as day cases, inpatient lengths of stay, emergency re-admissions rates) and **demographic profiles** (such as percentage of patients being seen over 65 and over 80 years of age)

example, the establishment of the Out of Hospital (OOH) Rapid Response and Reablement Teams. When available, this data will provide added assurance that the assumptions used in the acute models (eg reductions in hospital lengths of hospital stay) are achievable.

- 5.7. Clinical engagement and stakeholder activities have been exemplary and work on whole system re-design and the development of new integrated models of care is now gathering momentum. There appears to be widespread recognition of the need for change and an appetite to "make it happen". Visits to best practice sites on the mainland have helped to inform the transformation agenda and some early implementer projects (such as the Corbière Ward initiative) are beginning to deliver some real and quantifiable benefits including substantial reductions in lengths of stay. These early initiatives are particularly encouraging in the light of the earlier work undertaken by KMPG, indicating that without whole system re-design the current hospital would be unsustainable beyond 2017 due to shortage of beds
- 5.8. Clinical requirements specifications are being drawn up and discussions on the design and layout of the future hospital (based on these new and improved models of care) are underway.
- 5.9. The Review Team acknowledge that considerable progress has been made in a relatively short period of time, and this is to be commended.

#### *Future Hospital Project*

- 5.10. In reviewing a wide selection of project documentation and interviewing key project team members the Review Team were impressed by the level of thinking and development of the Project looking ahead to the next phase, which for the purposes of this report concludes with the presentation of the Outline Business Case for the investment decision, probably in the second half of 2017.
- 5.11. Positive examples include the approach taken by the Hospital Managing Director who, in recognition of the leadership challenge has split her responsibilities to release time to devote to the Project. The Hospital Managing Director is also in the process of releasing key staff to manage the temporary and permanent moves of hospital functions, the requirement for the new hospital and the work necessary to manage and coordinate key hospital stakeholders. The work by Gleeds in support of the Project, the early identification of a Soft Landings Manager to ensure the smooth transition of the new hospital once completed into the day to day maintenance and running regime, and the desire to achieve early contractor involvement are also to be commended. The Review Team also noted the positive and constructive relationships that exist between the three main departments responsible for the delivery of the programme.

- 5.12. The Review Team had access to a Proposed Construction Programme (Appendix 13 to the Gleeds Change Request CR025 Proof of Concept Site Option Addendum) which covers construction activity for the proposed hospital Option F and later a Programme Snapshot Expanded View which addresses some of the wider activity for the Project. However, neither programme considered the full range of critical path activity, for example approvals, or the inter-dependencies with the other projects in the wider Health and Social Services Transformation Programme.
- 5.13. Important documents need to be developed, finalised and approved by the Project Board in the period through to January 2017. These include the Project Execution Plan and the Detailed Procurement Strategy, the latter of which we assume includes the choice of the form of contract. Interestingly, the Review Team noted that the Proposed Construction programme had been drafted on the basis of an assumption on the nature of the procurement strategy but does appear to show relatively early contractor involvement, which would be a positive move.
- 5.14. The Review Team have reflected on the capability and capacity of the current project team to deliver a project of such size, scale and complexity which far exceeds any other construction project ever built on the island. In the UK such a project would have, at its head, a Project Director with first-hand experience of the successful delivery of projects of similar scale and complexity, ideally in a healthcare environment. By way of example the Project Director will need a level of commercial gravitas to be able to hold his or her own with Main Board Directors of FTSE 100 or 250 companies who are the potential bidders for a project of this magnitude. That said, it is important to balance and support these skills with local domain knowledge (“the Jersey context”) in the makeup of the team.
- 5.15. When considering the capability of the project team the Review Team also observed that the appointment of an Independent Adviser to the Project Board would often be the norm in the UK where the client was seeking to deliver a project of this nature. The appointment of an Independent Adviser with a range of strategic construction industry project management and commercial capability and experience has the potential to provide vital support to the Senior Responsible Owner (SRO) and Project Director. Such an Adviser could provide independent challenge and act as a critical friend and adviser, particularly through what are likely to be some challenging times on the project as it moves forward.
- 5.16. The continued involvement of Gleeds in supporting the project is important. The Review Team were advised that the Gleeds contract could potentially run until the end of the project and the project team anticipate Gleeds role to continue throughout this period. This continuity at consultant level is likely to be welcome. Furthermore, it would also be beneficial if there was continuity of Gleeds key personnel and the whole project team, including Gleeds key staff,

could be fully integrated and co-located. However, with such a long appointment it will be important to ensure that appropriate supplier management arrangements are in place, given Gleeds' importance to the Project and the extent of the fees they could receive.

- 5.17. As the project develops, the requirement becomes more mature and the design work gets underway in earnest there is likely to be considerable pressure to change the brief or design. While some of this will be both legitimate and necessary the project team supported by the Project Board will need to put in place and resource rigorous change control procedures to ensure the project remains on track and delivers within its funding envelope. A good example of where change control is essential is the need to make a decision on the possible 2 storey extension to the Patriotic Street Car Park, once the Transport Study has been completed.
- 5.18. There will also be a need to gear up the commercial management resourcing as the project develops its detailed procurement strategy and moves towards bringing the construction of the new hospital to the market place. The Review Team heard that plans were being drawn up to allocate resource currently held centrally in the States Treasury Department to the commercial and procurement work.
- 5.19. The Project is also fully dependent on the purchase or acquisition of number of adjacent properties. These represent a potential ransom strip and the Review Team suggests the Project should move quickly, if and when decision to choose Option F is made, to secure these sites.

#### *Health and Social Services Transformation Programme*

- 5.20. The Review Team found a common understanding among those interviewed that there is a single overriding Health and Social Services Transformation Programme, containing a number of projects, including the Future Hospital Project.
- 5.21. The Chief Executive of the Health and Social Services Department, as the programme Senior Responsible Owner (SRO), chairs a Transition Steering Group which serves as the Programme Board. She is supported by two additional SROs, covering the delivery of the Future Hospital Project and the provision of the necessary funding for the programme. The Review Team also found a common acceptance of the importance of the critical inter-dependencies of the projects. The Project is dependent for its success on the other projects in the programme and, by formalising the programme management approach, the SRO would be able to move resources between projects to address the overarching priorities. With this in mind, the Review Team recognise the importance and value of managing the programme as a whole and the critical inter-dependencies and resources across the projects. The earlier these disciplines are established the greater their impact.

- 5.22. The Review Team also noted that there was no identified Programme Director position within the governance structure, working to the SRO to deliver the programme. To some extent functions of a Programme Director were being undertaken and the Review Team suggest that the SRO should clarify and formalise where the Programme Director responsibilities sit, if a single person is not appointed to this role.
- 5.23. The Review Team found that a Programme Management Office (PMO) was not in place. A number of the individual projects were beginning to cover some of these functions by developing their own project infrastructure, such as reporting mechanisms, but it appears that these were being implemented on an ad hoc basis. For a programme of this size, complexity and significance, the Review Team would expect to see a fully-resourced PMO in place.

#### *Future Scrutiny Panel Independent Assurance and Gateway™ Reviews*

- 5.24. During the course of the review the Review Team became aware of the Future Hospital Project's intention to adopt the UK Cabinet Office Gateway™ Review process to provide assurance at key stages throughout the project lifecycle. The Review Team support this initiative but question the efficiency and effectiveness of conducting Gateway™ Reviews in parallel and at the same time as similar assurance and scrutiny reviews which are likely to be undertaken by the Scrutiny Panel.
- 5.25. It could be helpful if the SRO for the Future Hospital Project would consider co-sponsoring Gateway™ Assurance Reviews with the Scrutiny Panel, while recognising the Scrutiny Panel's independence and right to commission their own assurance and scrutiny support. Not only would this have the potential to be more efficient and effective but the transparency could also help in building trust between the Scrutiny Panel and the Future Hospital Project.

**APPENDIX A****Interviewees**

<b>Name</b>	<b>Role</b>
Jane Hall	Deputy Divisional Lead – Operational Support Services
Julie Garbutt	Chief Executive – Health & Social Services
John Rogers	Chief Officer – Department for Infrastructure
Rachel Williams	Director – System Redesign & Delivery
Julie Mesny	Head of Education, Learning & Development
Jason Turner	Director – Finance & Information
Bernard Place	Project Director – Health Brief
Mike Penny*	Gleeds Lead Technical Advisers
Nigel Aubrey*	
Chris Paxford*	Gleeds Board Representative
Martyn Siodlak	Medical Director
Sarah Howard	Assistant Finance Director
Richard Glover	Head of Major Projects – Planning
Will Gardiner	Project Director - Delivery
Ray Foster	Director – Estates, Jersey Property Holdings
Chris Sanderson	Divisional Lead – Clinical Support Services
Richard Guest*, Richard Barnes*, Andy Ross*, Graham Beal*, Louise Gemmil*, Lucy Ainscough*	EY, Financial Assurance and Evaluation
Judith Gindill	Divisional Lead, Theatres & anaesthesia
Richard Bell	Treasurer
Alison Rogers	Director – Financial Planning and Performance
Helen O’Shea	Hospital Managing Director
Rose Naylor	Chief Nurse

\* indicates interview conducted in presence of the Project Director for Delivery, Will Gardiner.

## 12. Appendix 2

### Redesign Programme: Timeline of Key Milestones

Event	Date	Summary
KPMG was appointed to review how services are provided and what steps will be required to ensure that Jersey can offer quality care	Completed in May 2011	As a result of KPMG's work, three strategic scenarios were identified which encompassed the options of the future of health and social care in Jersey.
Green Paper: Caring for each other, Caring for ourselves	Published in May 2011	Following the KPMG report, the Health Department published a Green Paper which asked for views on health and social services and recommended support for scenario three "A new model for health and social care"
White Paper: Caring for each other, Caring for ourselves	Published in May 2012	Following the Green Paper consultation, the Health Department developed detailed plans for the next 10 years. The White Paper outlined these plans and sought further feedback from the public.
W.S. Atkins development of Pre-Feasibility Spatial Assessment and Strategic Outline Case	Appointed on 31st May 2012	W.S. Atkins worked on producing the pre-feasibility study between May 2012 – May 2013
W.S. Atkins submit Strategic Outline Case to States of Jersey	31st August 2012	This was the initial evaluation of site options
The previous Health, Social Security and Housing Panel's published a report on the Health White Paper (S.R.7/2012)	15th October 2012	The Panel concluded that the redesign programme should be welcomed in general terms, and emphasised that its scope and scale would necessitate a challenging process of synchronising the introduction of many new services, some of which were reliant on the recruitment of specialised staff. In particular, the Panel recognised the importance of carefully phasing the development of services in the community with any change in the role and volume of hospital services.
The Ministerial Response to Panel's report (S.R.7/2012) was published	13th February 2013	
R.125/2012 Hospital Pre-Feasibility Spatial Assessment Project: Interim Report	Presented to the States on 18th October 2012 by the	The report set out the progress to date in developing the proposals for a new hospital.

	Council of Ministers	
P.82/2012 Health and Social Care: A New Way Forward	Lodged on 11th September 2012  Approved by the States Assembly 23rd October 2012	The States approved a radical change to the way Health and Social Services are delivered in Jersey, with an increasing emphasis of health being delivered in community settings with associated benefits for patients and enabling hospital services to focus on the increasing demand posed by demography and an ageing society <sup>98</sup>
W.S. Atkins is informed at a Ministerial Oversight Group meeting of the potential for a £250 million budget cap	February 2013	The budget was not confirmed until further validation and cost challenge work was undertaken in May 2013
Review of funding options and affordability	June 2013	A decision to set an indicative budget of £250m was made by Ministerial Oversight Group <sup>99</sup>
Ministerial Oversight Group decision	June 2013	The outcome of MOG's consideration was that a phased redevelopment and expansion of the existing Jersey General Hospital in St. Helier was the preferred solution <sup>100</sup>
Ministerial Oversight Group decision	18 June 2013	Ministers requested that a refined proposal, based on the findings and recommendations of the previous Pre-Feasibility Strategic Outline Case, but within the identified funding available, be drawn up by a design champion to inform the States Assembly of the approach to be adopted within a more detailed Feasibility Study <sup>101</sup>
Development of 1st phase concept	July 2013 – August 2013	Design champion was appointed in July 2013, who first proposed a dual site solution. W.S Atkins was introduced to the design champion in August 2013.
W.S. Atkins refined concept: pre-feasibility spatial assessment	Post July 2013 –3 Oct 2013	The refined concept was developed in consultation with Clinical Directors. A potential new model of working for a dual site solution was subsequently identified.
The Council of Ministers approve the dual site option	October 2013	The Council of Ministers agreed to progress the option for further feasibility

<sup>98</sup> Future Hospital Feasibility Study: Strategic Brief

<sup>99</sup> Notes received prior to the Public Hearing with the Treasury and Resources Minister, 13th June 2014

<sup>100</sup> States of Jersey, The States of Jersey Hospital Pre-Feasibility Spatial Assessment Project: Jersey General Hospital: Refined Concept Addendum to the Strategic Outline Case, 3rd October 2013, p.6

<sup>101</sup> States of Jersey, The States of Jersey Hospital Pre-Feasibility Spatial Assessment Project: Jersey General Hospital: Refined Concept Addendum to the Strategic Outline Case, 3rd October 2013, p.6



Accepted Budget 2014	5th December 2013	The States approved that the Strategic Reserve would be used to fund the new hospital and that an initial sum of £10.2 million should be transferred from the Fund (under the revised policy) for the first stage of the project.
Tender for Feasibility Study	April 2014	In April 2014 the States of Jersey sought to procure a supplier that would deliver Independent Client Technical Advisor Services relating to the delivery of the planned future hospital project. In June 2014 technical, legal and financial advisors were appointed <sup>102</sup> .
Peer Review Panel	Summer 2014	The Peer Review Panel, led by Sir David Henshaw submitted an independent report which included a section on the future hospital.
Acute Services Strategy 2015 - 2024	Developed during 2014	The strategy sets out key strategic principles and objectives for hospital services in Jersey <sup>103</sup> . The Acute Services Strategy was published in 2015
New Health and Social Services Minister	Appointed in November 2014	Senator A. Green M.B.E was appointed as the new Minister for Health and Social Services
Ministerial Oversight Group for Health Transformation	Met on 17th December 2014	At the meeting the Ministerial Oversight Group agreed that optimised design configuration of the following four sites should be appraised on a like-for-like basis: <ol style="list-style-type: none"> <li>1. Existing hospital site</li> <li>2. Overdale</li> <li>3. Waterfront</li> <li>4. Dual site at the existing site and Overdale</li> </ol>
Gleeds Management Services	Appointed by Jersey Property Holdings 2014	Appointed initially to undertake the Future Hospital Feasibility Study  In 2015 Gleeds were asked to commence an options appraisal of the four sites <sup>104</sup>
Site Options Appraisal completed by Gleeds Management Services	Completed in April 2015	The appraisal identified that the Waterfront site was the optimal location to be taken forward for detailed design <sup>105</sup> .
Gleeds were asked to update the Site Options		The updated appraisal identified People's Park as the preferred option to be taken forward for detailed design <sup>106</sup> .

<sup>102</sup> Ministerial Oversight Group Minutes, 25th June 2014

<sup>103</sup> Project Brief – 100 day review

<sup>104</sup> Project Brief – 100 day review

<sup>105</sup> Gleeds Management Services, Jersey Future Hospital Project: Site Options Appraisal, April 2015, p.10

<sup>106</sup> Gleeds Management Services, Jersey Future Hospital Project: Site Options Appraisal, April 2015, p.11

Appraisal to include People's Park	Completed in September 2015	
Health and Social Services: A Sustainable Primary Care Strategy for Jersey 2015 – 2020 (R.1/2016)	Presented to the States in January 2016 by the Health and Social Services Minister	The strategy set out five ambitions which set the direction of travel for Primary Care for the next five years working towards improved sustainability and a safe, effective and affordable system: <ol style="list-style-type: none"> <li>1. Patients</li> <li>2. Payment</li> <li>3. Partnerships</li> <li>4. People</li> </ol> Processes
People's Park: Removal from list of sites under consideration for future new hospital: P.3/2016	Lodged 19th January 2016 by the Connétable of St Helier	The proposition requested the Minister for Health and Social Services to remove People's Park from the list of sites under consideration.
Debate on P.3/2016	23rd February 2016	The Minister for Health and Social Services accepted the Constable's proposition, without debate, and People's Park was removed from the list of options.
February 2016 – May 2016		After the withdrawal of People's Park, the Minister announced that a period of reflection on site options was needed and a new timetable would be developed.
The preferred site (option F) is announced	14th June 2016	The Council of Ministers confirmed that the site choice for the new hospital will be an extension of the existing hospital site along Newgate Street and some adjoining properties in Kensington Place <sup>107</sup> .
March 2016 – July 2016	States Members Workshops	A number of workshops were organised for all States Members. The purpose of these was to consult with Members on the way forward and achieve political support for the preferred site option of the current hospital site (option F).
Gleeds issue Proof of Concept report on preferred site (option F)	16th September 2016 [review commenced in May 2016]	Gleeds undertook a review of the alternative options for developing a new hospital at the existing hospital site. The report found that option F is technically viable, but presented slightly more risk than option D (Waterfront) and would be more expensive.
Proposition lodged detailing the preferred site	19th October 2016	The Council of Minister lodged P.110/2016 Future Hospital: Preferred Site

<sup>107</sup> News story "Future Hospital Update" published on [www.gov.je](http://www.gov.je)

## 13. Appendix 3

### Benefits and Risks Criteria

#### Benefits Criteria

<b>1.0</b>	<b>Massing and Planning Issues</b>
1.1	The site must be considered capable of accommodating the potential capacity requirements for the hospital, including potential future expansion and/or change.
1.2	The potential site must fit within and not be out of accord with the Island Planning and Spatial Strategy and HSS strategy
1.3	The site should not have any planning restrictions associated with it that pose an unacceptable risk to development at this stage
1.4	Site required for the total hospital development should be immediately available without major infrastructure and other issues
<b>2.0</b>	<b>Transport and Access Issues</b>
2.1	The site should afford ease of access to the majority of the island's population
2.2	The site should allow efficient and effective access by private and commercial transport
2.3	The site should allow efficient and effective access by public transport
2.4	The site should allow adequate parking facilities available for staff, patients and visitors
2.5	The site should allow efficient and effective access by emergency vehicles
2.6	The site should allow efficient and effective access for separating traffic flows
<b>3.0</b>	<b>Response to the Island's Infrastructure and Geography</b>
3.1	The site should present minimal risks to its safe and on-going running in terms of the weather and environment
3.2	The site should be capable of supporting key infrastructure for the hospital
<b>4.0</b>	<b>Clinical and Non-Clinical support Functionality</b>
4.1	The site should be capable of accommodating or being supported by the full range of clinical and non-clinical support functions
<b>5.0</b>	<b>Clinical Care and Patient related Issues</b>
5.1	The site should allow for the optimisation of clinical adjacencies and functionality
5.2	The site should allow for the future hospital to be flexible in its future design and construction and allow for future proofing of all acute and non-acute services as part of a clear, sustainable, forward masterplanning strategy
5.3	The hospital should be capable of accommodating key functional content, based on, but not wedded to current UK room scheduling guidance and current best practice
5.4	Quality of patient environment - views and social spaces
5.5	Convenience of access for friends, family and visitors and access to town/shopping facilities
<b>6.0</b>	<b>Staffing and Support Issues</b>
6.1	The effect of the site on staff recruitment and retention and patient disruption at the time of transition
6.2	The ongoing effect of the site on staff recruitment and retention
6.3	Staff, patient and visitor security relating to location and out-of-hours safety
<b>7.0</b>	<b>Construction and Buildability Issues</b>

7.1	Ease of construction logistics
7.2	Access to site for construction vehicles, deliveries and waste removal
7.3	Protection of existing hospital services and avoidance of disruption during the build process

In addition to the benefits criteria, a risk register was also developed to identify risks of procurement, construction and operation associated with each site. A summary of the risk register associated with site development options is shown in the table below:

### Risk Register

<b>1</b>	<b>PLANNING AND ENVIRONMENT</b>
1.1	Failure to obtain necessary Planning consents
1.2	Further provision / costs required to satisfy Strategic Environmental Assessment (SEA) / Environmental Impact Assessment (EIA) requirements
1.3	Public opinion and local media against selected site
<b>2</b>	<b>TRANSPORT</b>
2.1	Failure to overcome transport issues raised by Transport Impact Assessment (TIA) and environmental issues
2.2	Site does not help to achieve reduction in car usage
<b>3</b>	<b>SERVICES INFRASTRUCTURE</b>
3.1	Electricity: increased cost of providing robust power supplies
3.2	Water supply: Increased cost of providing robust water supplies
3.3	Drainage capacity: Increased cost of providing robust foul and surface water drainage systems
<b>4</b>	<b>CLINICAL AND NON-CLINICAL SUPPORT</b>
4.1	Failure to meet preferred departmental and room relationships
4.2	Risk of disruption to existing health services
<b>5</b>	<b>STAFF AND PATIENT ISSUES</b>
5.1	Location of new hospital is not readily accessible to majority of island's population
5.2	Flexibility, commitment and morale of staff is compromised due to the location of the new hospital
<b>6</b>	<b>CONSTRUCTION</b>
6.1	Risk of infection control issues affecting patients resulting in increased clinical support and extended lengths of stay
6.2	Proposed construction overheats Jersey construction economy
<b>7</b>	<b>DEVELOPMENT OPPORTUNITY</b>
7.1	Additional cost or opportunity cost inherent with development of this site

## 14. Appendix 4

### Sub-Panel Membership

Deputy Richard Renouf, Chairman

Deputy John Le Fondre, Vice-Chairman

Deputy Jackie Hilton

Deputy Terry McDonald

Connétable Chris Taylor [Connétable Taylor resigned from the Sub-Panel on Wednesday 16th November 2016 and therefore was not party to any discussions regarding the final report]

### Expert Advisor

The Sub-Panel appointed Concerto Partners LLP as its expert advisor. Concerto has reviewed over 100 health projects for the NHS, including new hospital construction projects and has helped other hospital trusts establish their own internal assurance functions.

Concerto are members of the UK government's ConsultancyONE framework which is the mandated route for all government-consulting services. Concerto provide specialists who review and troubleshoot programmes under a specialist framework for the UK cabinet Office.

A Partner at Concerto led a team of two other associates to undertake the Gateway review:

- Mr S. Foot – Managing Partner
- Ms J. Austin – Operational and Programme Director
- Mr B. Yardley – Chair and Director at Executive and Non-Executive level in public and private sectors

### Terms of Reference

1. To evaluate the Future Hospital project
2. To report to the States before the debate on P.110/2016 "Future Hospital: Preferred Site"

### Evidence Considered

An extensive number of documents were considered by the Panel and its expert advisors during the review. Below is a list of the key documents:

1. *Hospitality Pre-Feasibility Spatial Assessment Project: Interim Report* (R.125/2012)
2. *Health and Social Services: A New Way Forward* (P.82/2012)
3. *Hospital Pre-Feasibility Spatial Assessment Project Outcome* (Council of Ministers Report) - 2nd October 2013

4. *W.S. Atkins Reports – Pre-Feasibility studies*
5. *Gleeds Report – Proof of Concept*
6. *P.110/2016 “New Hospital: Preferred Site”*

## Meetings

During a visit to Jersey on Thursday 3rd November 2016, expert advisor Mr S. Foot of Concerto Partners LLP held a meeting with:

- Mrs H. O’Shea, Hospital Managing Director
- Ms P. MacAndrew, Future Hospital Project Support Officer

During a weeklong visit to Jersey from Monday 7th November to Friday 11th November, expert advisors Mr S. Foot, Ms J. Austin and Mr B. Yardley held meetings with the following people:

- Ms J. Hall, Deputy Divisional Lead – Operational Support Services
- Ms J. Garbutt, Chief Executive Officer of Health
- Mr J. Rogers, Chief Officer, Department for Infrastructure
- Ms R. Williams, Director of System Redesign and Delivery
- Ms J. Mesny, Head of Education, Learning and Development
- Mr J. Turner, Director Finance and Information
- Mr B. Place, Project Director, Health Brief
- Mr M. Penny, Gleeds Management Services
- Mr M. Siodlak, Medical Director
- Ms S Howard, Assistant Finance Director
- Ms R. Naylor, Chief Nurse
- Mr R. Glover, Head of Major Project – Planning
- Mr W. Gardiner, Project Director, Delivery
- Mr R. Foster, Director – Estates, Jersey Property Holdings
- Mr C. Sanderson, Divisional Lead – Clinical Support Services
- Mr R. Guest, EY
- Ms J. Gindill, Divisional Lead – Theatres and Anaesthesia and Women and Children’s Services
- Mr Richard Bell, Treasurer of the States
- Ms A. Rogers, Director – Financial Planning and Performance
- Ms H. O’Shea, Hospital Managing Director

The Sub-Panel was given a tour of Jersey’s General Hospital and the advisors were also shown the preferred site option of the existing site, People’s Park and the Waterfront.

## Briefings

The Sub-Panel also received several briefings from the Minister for Health and Social Services and his team during 2015 and 2016 and also a briefing with the Minister for Treasury and Resources in 2016.

## Public Hearings

The following Public Hearings were held during the review:

Witness	Date
Senator A. K.F. Green, Minister for Health and Social Services Deputy P.D. McLinton, Assistant Minister for Health and Social Services Deputy E.J Noel, Minister for Infrastructure Ms R. Williams, Director of System Redesign and Delivery Mr W. Gardiner, Project Director, Jersey Property Holdings Mr B. Place, Project Director, Health Brief Mr J. Rogers, Chief Officer, Department for Infrastructure Mrs J. Garbutt, Chief Officer, Health and Social Services Mr R. Foster, Director of Estates, Department for Infrastructure Mrs H. O'Shea, Hospital Managing Director	Friday 4th November 2016
Senator A. K.F. Green, Minister for Health and Social Services Deputy P.D. McLinton, Assistant Minister for Health and Social Services Connétable J.M Refault, Assistant Minister for Health and Social Services Deputy E.J Noel, Minister for Infrastructure Mr W. Gardiner, Project Director, Jersey Property Holdings Mr B. Place, Project Director, Health Brief Mr J. Rogers, Chief Officer, Department for Infrastructure Mrs J. Garbutt, Chief Officer, Health and Social Services Mr R. Foster, Director of Estates, Department for Infrastructure Mrs H. O'Shea, Hospital Managing Director	Wednesday 16th November 2016