

STATES OF JERSEY



FUTURE HOSPITAL PROJECT: REPORT OF THE SUB-PANEL (S.R.7/2016) – RESPONSE OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES

**Presented to the States on 10th January 2017
by the Minister for Health and Social Services**

STATES GREFFE

**FUTURE HOSPITAL PROJECT: REPORT OF THE SUB-PANEL (S.R.7/2016) –
RESPONSE OF THE MINISTER FOR HEALTH AND SOCIAL SERVICES**

Ministerial Response to: S.R.7/2016

Ministerial Response required by: 5th January 2017

Review title: Future Hospital Project: Report of the Sub-Panel

Scrutiny Panel: Health and Social Security

INTRODUCTION

On behalf of the Council of Ministers, I welcome the Report, its findings and recommendations.

FINDINGS

	Findings	Comments
1	Continued investment in out of hospital or community-based care strategies is imperative in order to deliver the future hospital project.	<p>Agreed. The Department prepared and submitted plans and funding requests as part of the preparation of MTFP2 and the 2016 MTFP Addition. Following the States debate, funding for 2017 and the funding full year effect for 2018 has been issued to the Department. Further funding for 2018 and 2019 is subject to further States decisions in the relevant Annual Budget debate.</p> <p>During the MTFP Addition debate in 2016, the Assembly decided not to adopt the proposed Health Charge. The Council of Ministers has been clear that “future revenue-raising measures” will be brought forward to replace the funding from the Health Charge for 2018 and 2019, in advance of the Budget 2018. After the rejection of the income-based Health Charge, the Treasury will continue to work to identify options for a long-term, sustainable funding mechanism for Health for consideration during the next MTFP period 2020–2023.</p>
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.	Agreed. I welcome the States Assembly decision on P.110/2016 .

	Findings	Comments
3	A Waterfront option has consistently performed well in evaluations of site options.	Agreed. However, it is noted that in terms of access for patients and the general public the Waterfront option did not perform well.
4	Ministers have consistently sought other options on the occasions that the Waterfront site ranked best.	Agreed. However, Ministers have consistently stated that the Future Hospital site assessment process could never capture the full economic benefits of Waterfront redevelopment for purposes other than a hospital.
5	Indecision by Ministers has created delays in delivering the future hospital in a timely fashion.	Not agreed. Ministers have responded to stakeholder views throughout the site assessment process. The Chief Minister made clear there was no perfect site.
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.	Agreed.
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.	Agreed. The Sub-Panel and its independent adviser heard and acknowledged the considerable experience and commitment of the project team. However, it is acknowledged that the project and advisory team will need to be augmented as the project proceeds.
8	The Sub-Panel's adviser (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 <i>ad hoc</i> basis.	Agreed. This recommendation will be considered in the coming months by the Minister and his senior Health and Social Services Department leadership team. It has resource implications that would need to be resolved. It should be noted that the projects have consistent project infrastructure and documentation, that the Leads meet regularly to ensure integration of plans and identification of programme-wide risks, and that the Leads participate in one another's Steering Groups.

	Findings	Comments
9	The Sub-Panel's adviser assesses the future hospital's project as Amber at this stage, meaning that: " <i>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</i> ".	Agreed. It has been accepted by the Sub-Panel and its adviser that the Concerto review, by necessity, was not a full gateway review, which will be completed by the project team in due course, but the outcome is not unusual for a project of this sort.
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.	Agreed. This is recognised, and a comprehensive programme of engagement with clinicians, staff, neighbours and other stakeholders is underway and will continue to inform detailed technical proposals based on experience of doing this in a professional and exemplary manner elsewhere.
11	The timescales for the future hospital project are tight, particularly its initial stages which comprise the decant, design, planning, refurbishment and relocation activities.	Agreed. The Sub-Panel and its adviser are aware of the comprehensive experience, in the UK and on-Island, which has informed the planning of the preferred option.
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.	Not agreed. There is no current slippage from the timescale shared with the Sub-Panel on which the States Assembly decision on the preferred site was taken.
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.	Agreed. There will be increasing levels of certainty as the project proceeds, and the timescale is still on programme.
14	The preferred site is only viable if supplemented by acquisitions in Kensington Place. This represents a critical risk to the project.	Agreed. This risk is being actively managed by good engagement with local tenants, owners and the neighbouring community.

	Findings	Comments
15	There is likely to be limited parking provision at Westaway Court. The distance between Westaway Court and Patriotic Street car park is such that it may require a transport solution for out-patients.	Agreed. A solution for this is in preparation, built around extensive provision for drop-off and pick-up for patients and parking for those with mobility issues prioritised.
16	The footprint of the proposed building on the preferred site has been reduced by 50% from an ideal 20,000 m. ² to approximately 10,000 m. ² .	Agreed. The preferred site report and proposition approved by the States Assembly set out how an excellent hospital could still be delivered on a reduced footprint by employing existing infrastructure.
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.	Agreed. The detailed design is to follow. The Planning Authority and Architectural Commission have identified that this will be a challenge, but not that this will be impossible to resolve.
18	The Waterfront option has a marginally lower cost than the preferred option.	Agreed.
19	The Waterfront option has a marginally lower risk profile than the preferred option.	Agreed.
20	Both the Waterfront site and the preferred site offer similar benefits.	Agreed. However, the Waterfront site has less good patient access and parking.
21	The Sub-Panel's adviser found that the evaluation of the Waterfront site and the preferred site had been carried out in a fair, consistent and comprehensive way.	Agreed.
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.	Agreed. However, the like-for-like basis has been retained, as acknowledged by the Sub-Panel's Finding 21 above.

	Findings	Comments
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.	Agreed. This was acknowledged, not just by the Council of Ministers, but also by the majority of States Members who participated in workshops held during the period before the States debate on the preferred site.
24	Ministers consider that a housing development earmarked for the Waterfront site could generate significant income.	Agreed.
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.	Agreed. However, the Amendment to the Preferred Site Proposition was debated and rejected comprehensively by the States Assembly.
26	The differential cost between the preferred site and the Waterfront site is approximately £20 million as identified by Gleeds.	Agreed. The precise number has been provided.
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.	Not agreed. The nature of the preferred site means that different assumptions can be taken, as explained to the Sub-Panel and its Adviser, so the like-for-like assessment is not informed by a further level of detail.
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.	Not agreed. These were provided to the Sub-Panel in response to its draft report. Relocation works include relocating the current Waterfront car park, drainage works, and Les Jardins de La Mer.

RECOMMENDATIONS

	Recommendations	To	Accept/ Reject	Comments	Target date of action/ completion
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.	CoM	Accept	See the Minister's response to Finding 7 above.	Q1/2017
2	The Sub-Panel endorses the importance of an independent adviser 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 adviser with relevant knowledge and experience.	CoM	Accept	This may be more than one as the project develops.	Q1/2017
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.	HM	Accept	See the Minister's response to Finding 8 above.	Q2/2017
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.	HM	Accept	The responsibilities are clear; the Director of System Redesign and Delivery has been the Corporate Director with responsibility for P.82 since its inception.	Q1/2017

CONCLUSION

The Report is welcomed as it constitutes a fair, professional and comprehensive review of the Future Hospital preferred site proposals. This reflected the balance of the Scrutiny Sub-Panel and seniority of the advisory team appointed by the Panel. The Report contributed to an informed debate on the supported Preferred Site choice and the Sub-Panel should be commended for this.

I look forward to continuing the work with the Sub-Panel as the project progresses in 2017.