

# STATES OF JERSEY



## PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024): SIXTH AMENDMENT

### NEW HEALTHCARE FACILITIES PROGRAMME EXPENDITURE

---

Lodged au Greffe on 8th November 2024  
by the Hospital Review Panel  
Earliest date for debate: 26th November 2024

---

STATES GREFFE

PROPOSED BUDGET (GOVERNMENT PLAN) 2025-2028 (P.51/2024):  
SIXTH AMENDMENT

---

**1 PAGE 2, PARAGRAPH (g) –**

After the words “Summary Tables 5(i) and (ii) of the Report” insert the words-  
“, except that, in Summary table 5(ii), after the Head of Expenditure for New Healthcare Facilities, there should be inserted Heads of Expenditure entitled Overdale Acute Facility, Kensington Place Ambulatory Facility and the St Saviours Health Village, each with an allocation of £0 to be shown against the new Head of Expenditure”.

**2 PAGE 2, PARAGRAPH (g) –**

After paragraph (g), insert the following new paragraph and re-designate the subsequent paragraphs accordingly –

- (h) to request the Minister for Treasury and Resources to take the necessary steps, in accordance with Article 18 of the Public Finances (Jersey) Law 2019, for a transfer of appropriations from the Head of Expenditure entitled “New Healthcare Facilities” to the Heads of Expenditure entitled Overdale Acute Facility, Kensington Place Ambulatory Facility and the St Saviours Health Village, to take effect by 30th June 2025 in order that these Heads of Expenditure provide a breakdown of anticipated budget for each of the specified elements of the New Healthcare Facilities project”.

**3 PAGE 2, PARAGRAPH (o) –**

After the words “as set out in the Appendix to the Report” insert the words –

“, except that, on Page 69, after the words “A summary of the Outline Business Case will be published to the Assembly in September 2024.” there should be inserted the following words –

“The Minister for Health and Social Services will publish supplementary information in successive Government Plans about the Overdale Acute Facility, Kensington Place Ambulatory Facility and the St Saviours Health Village Heads of Expenditure for the New Healthcare Facilities Programme, in the same way as is provided for other Major Projects in the Government Plan.”

**HOSPITAL REVIEW PANEL**

**Note:** After this amendment, the proposition would read as follows –

**THE STATES are asked to decide whether they are of opinion –**

to receive the Government Plan 2025 – 2028 (entitled “Budget 2025-2028”) specified in Article 9(1) of the Public Finances (Jersey) Law 2019 (“the Law”) and specifically –

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2025 as set out in Appendix 2 – Summary Table 1 to the Report, which is inclusive of the proposed taxation and impôts duties changes outlined in the Government Plan, in line with Article 9(2)(a) of the Law.
- (b) to approve the proposed Changes to Approval for financing/borrowing for 2025, as shown in Appendix 2 – Summary Table 2 to the Report, which may be obtained by the Minister for Treasury and Resources, as and when required, in line with Article 9 (2)(c) of the Law, of up to those revised approval amounts.
- (c) to approve the transfers from one States fund to another for 2025 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law.
- (d) to approve a transfer from the Consolidated Fund to the Stabilisation Fund in 2025 of up to £25 million, subject to a decision of the Minister for Treasury and Resources based on the availability of funds in the Consolidated Fund as at 31st December 2024 in excess of the estimates provided in this plan, or from budgeted underspends identified before 31st December 2025.
- (e) to approve a transfer from the Consolidated Fund to the Agricultural Loans Fund in 2025 of up to £2 million, subject to a decision of the Minister for Treasury and Resources based on availability of funds in the Consolidated Fund as at 31st December 2024 in excess of estimates provided in this plan, or from budgeted underspends identified before 31st December 2025;
- (f) to approve each major project that is to be started or continued in 2025 and the total cost of each such project and any amendments to the proposed total cost of a major project under a previously approved Government Plan, in line with Article 9(2)(d), (e) and (f) of the Law and as set out in Appendix 2 – Summary Table 4 to the Report.
- (g) to approve the proposed amount to be appropriated from the Consolidated Fund for 2025, for each head of expenditure, being gross expenditure less estimated income (if any), in line with Articles 9(2)(g), 10(1) and 10(2) of the Law, and set out in Appendix 2 – Summary Tables 5(i) and (ii) of the Report, **except that, in Summary table 5(ii), after the Head of Expenditure for New Healthcare Facilities, there should be inserted Heads of Expenditure entitled Overdale Acute Facility, Kensington Place Ambulatory Facility and the St Saviours Health Village, each with an allocation of £0 to be shown against the new Head of Expenditure.**
- (h) **to request the Minister for Treasury and Resources to take the necessary steps, in accordance with Article 18 of the Public Finances (Jersey) Law 2019, for a transfer of appropriations from the Head of Expenditure entitled “New Healthcare Facilities” to the Heads of Expenditure entitled Overdale Acute Facility, Kensington Place Ambulatory Facility and the St Saviours Health**

Village, to take effect by 30th June 2025 in order that these Heads of Expenditure provide a breakdown of anticipated budget for each of the specified elements of the New Healthcare Facilities project.

- (i) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2025 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report.
- (j) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2025 for each head of expenditure in line with Article 9(2)(i) of the Law and set out in Appendix 2 – Summary Table 7 to the Report.
- (k) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2025 as set out in Appendix 2 – Summary Table 8 to the Report.
- (l) to approve an updated and consolidated policy of the Strategic Reserve Fund as follows:

“The Strategic Reserve Fund, established in accordance with the provisions of Article 4 of the Public Finances (Jersey) Law 2005, is a permanent reserve only to be used:

  - i. in exceptional circumstances to insulate the Island’s economy from severe structural decline such as the sudden collapse of a major Island industry or from major natural disaster.
  - ii. if necessary, for the purposes of providing funding (up to £100 million) for the Bank Depositors Compensation Scheme established under the Banking Business (Depositors Compensation) (Jersey) Regulations 2009, including to meet the States contribution to the Scheme and/or to meet any temporary cash flow funding requirements of the Scheme.
  - iii. to support the development of future healthcare facilities and the borrowing costs for such work, in line with a financing strategy agreed by the Assembly;
  - iv. as a holding fund for any or all monies raised through external financing until required, and for any monies related to the repayment of debt raised through external financing used to offset the repayment of debt, as and when required; and
  - v. in accordance with Article 24 of the Public Finances (Jersey) Law 2019, where the Minister for Treasury and Resources is satisfied that there exists an immediate threat to the health or safety of any of the inhabitants of Jersey, to the stability of the economy in Jersey or to the environment, for which no other suitable funding is available.”
- (m) to approve the transfer to the Strategic Reserve of the amounts due as a result of the move from prior-year basis taxation after 31st December 2025, as and when these payments are received (estimated at £280 million).

- (n) in relation to the new Government Headquarters (office), to approve;
- i. the exercising of the option to acquire the new Government Headquarters (estimated at £91 million), by the Public of the Island, in line with the pre-agreed terms; and
  - ii. the acquisition of the new Government Headquarters as an investment of the Social Security (Reserve) Fund (including authorising the meeting of expenses incurred in connection with the acquisition); and
  - iii. the subsequent leasing of the new Government Headquarters by the Public of the Island from the Social Security (Reserve) Fund, with commercial terms to be agreed between the Minister for Infrastructure (on behalf of the Public) and Minister for Social Security and the Minister for Treasury and Resources (both on behalf of the Fund); and
- (o) in relation to the new Government Headquarters, to authorise H.M. Attorney General, the Greffier of the States, the Ministers for Infrastructure, Social Security and Treasury and Resources, and the Public of the Island, to enter into such arrangements, including financing, and pass any contracts as are necessary to put into effect paragraph (m).
- (p) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2025-2028, as set out in the Appendix to the accompanying Report, except that, on Page 69, after the words “A summary of the Outline Business Case will be published to the Assembly in September 2024.” there should be inserted the following words –

“The Minister for Health and Social Services will publish supplementary information in successive Government Plans about the Overdale Acute Facility, Kensington Place Ambulatory Facility and the St Saviours Health Village Heads of Expenditure for the New Healthcare Facilities Programme, in the same way as is provided for other Major Projects in the Government Plan.”

## REPORT

The purpose of this Amendment to the Proposed Budget (Government Plan) 2025-2028 is to:

- provide greater transparency about expenditure on the New Healthcare Facilities Programme by including additional heads of expenditure for the proposed Overdale acute facility, Kensington Place ambulatory facility and the St Saviours Health Village, by 30th June 2025.
- ensure that supplementary information is included for each of the additional heads of expenditure within the New Healthcare Facilities Programme chapter of the Proposed Budget (Government Plan) 2025-2028.

### **Rationale for the Panel's Amendment**

The Hospital Review Panel has decided to bring this Amendment to the Proposed Budget (Government Plan) 2025-2028 ('Budget'), in addition to its broader [Scrutiny Review](#) of the New Healthcare Facilities Programme ('Programme'). The Panel intends to publish a full Scrutiny Report following its Review of the Programme, which will be concluded and published after the States Assembly debate on the Budget.

The Panel is concerned that the information about the Programme contained within the Budget does not provide the States Assembly with sufficient detail about expenditure on key projects within the overarching Programme head of expenditure. The Panel believes that a greater level of detail could be provided in the Budget by 30th June 2025, and that the Budget should provide further information about how funding for the Programme will be utilised in relation to these key projects.

This Report will specifically address the existing body of evidence considered and collected by the Panel during its ongoing Scrutiny Review of the Programme and its considerations of the Budget, in the context of Budget transparency about expenditure on key projects within the Programme.

### **The allocation of Programme funding**

The Budget seeks the States Assembly's approval for total estimated capital expenditure of £710m on Phase 1 of the Programme. The Budget states that this is to include, "*the total cost to deliver an acute facility at Overdale and make meaningful progress on development of the future phases covering an ambulatory facility and Health Village at no more than £710 million.*"<sup>1</sup> Additionally, the Budget sets out the estimated capital expenditure on the Programme in each year from 2024 to 2028:

- 2024: £52m
- 2025: £73m
- 2026: £152m
- 2027: £208m
- 2028: £225m
- Total Estimate: £710m<sup>2</sup>

---

<sup>1</sup> [Proposed Budget \(Government Plan\) 2025-2028](#)

<sup>2</sup> [Ibid](#)

However, the Budget does not provide estimates of capital expenditure on each of the key projects within the Programme. The Panel questioned the Minister for Health and Social Services about the total planned expenditure on these projects, that include the proposed Overdale acute facility, the Kensington Place ambulatory facility and the St Saviours Health Village. The Minister informed the Panel that this information would not be disclosed publicly “*due to the commercially sensitive nature of this information.*”<sup>3</sup>

The Panel is concerned that the Budget does not provide the States Assembly with sufficient information about expenditure from the £710m head of expenditure on key projects within the Programme, and that this is not consistent with other estimates of capital expenditure provided in the Budget. The Panel has considered other items within the Budget where Government has proposed significant capital expenditure, and where it has also provided a breakdown of planned expenditure on key projects. For example, the Estates Head of Expenditure in the Budget sets out the proposed capital expenditure on four Major Projects<sup>4</sup>:

Summary Table 5ii - Capital and Other Projects Heads of Expenditure				
£'000	Major Project	Spon Dept	Supp Dept	2025 Estimate
<b>Feasibility</b>				<b>1,442</b>
<b>Estates</b>				
Crematorium		CLS	CLS	-
Mont a' L'Abbe Secondary	M	CYPES	I&E	-
Le Squez	M	CYPES	I&E	-
New School and Educational Developments		CYPES	I&E	2,500
Upgrades to CYPES Estates		CYPES	CYPES	7,790
Learning Difficulties - Specialist Accommodation	M	HCS	HCS	-
Health Services Improvements Programme		HCS	HCS	5,000
Major Refurbishment and Upgrades		I&E	I&E	5,000
Land Acquisition		I&E	I&E	-
Markets Revitalisation Project		I&E	I&E	-
Oakfield and Fort Regent Decant	M	I&E	I&E	6,664
Property Dilapidations		I&E	I&E	-
Other I&E Estate Projects		I&E	I&E	750
Ambulance, Fire & Rescue Headquarters	M	JHA	JHA	-
Army and Sea Cadets Headquarters		JHA	JHA	200
<b>Estates</b>				<b>27,904</b>

The Panel has questioned the rationale for ‘commercial sensitivity’ in relation to consolidation of capital expenditure on key projects within the overarching Programme Head of Expenditure. At a Public Hearing with the Minister for Treasury and Resources on 4th October, the Panel learned that the Government was balancing transparency against the “*particular risk*” associated with the Programme:

**Treasurer of the States of Jersey:**

*“Shall we just say that in particular in respect of this project there is a particular risk given the size of the project, but it is a balance between transparency. Ultimate transparency is really important to us in Treasury, as it is across departments, but we have also seen as we have gone through different versions of this project in particular it puts that at a commercial*

<sup>3</sup> [Letter – Minister for Health and Social Services re Proposed Budget \(Government Plan\) 2025-2028 - 13th September 2024](#)

<sup>4</sup> [Proposed Budget \(Government Plan\) 2025-2028](#)

*disadvantage and when we look elsewhere it is not as publicly available what that contract sum is going ... the allocation for that particular contract is for those who would be bidding for the work.”<sup>5</sup>*

However, the Panel believes the argument that commercial sensitivity justifies keeping the overall amounts for each project confidential is weak, on three grounds.

Firstly, the Panel is only asking for the heads of expenditure to be published, not the breakdown within the heads of expenditure. This is important with regard to the Overdale acute facility because it means that the amounts allocated to individual parts of the work – of which construction is only one - would still be concealed. The construction of the Overdale acute facility will involve a number of key items of work which will not be broken down within the separate head of expenditure, therefore there will still be uncertainty regarding the amounts allocated to items within the overall Overdale acute facility project.

Secondly, the need to maintain confidentiality about the total amount allocated for construction was particularly strong when the government was working with a preferred contractor. “Under the “Our Hospital” project, all the government’s eggs were in one basket, so the preferred contractor was in a strong position to “bid up” to the maximum available. This is not the case with the current project, where the construction contract will be awarded under a competitive tender process. “Bidding up” is unlikely to be a feature of this contract, because it is likely to lead to an uncompetitive bid.

Thirdly, the amendment specifies populating the heads of expenditure by the end of Quarter 2 2025. By this time, the Panel believes that the Programme will have advanced sufficiently far, that the need for “commercial tension” will have vanished. In this regard, the Panel has considered the timeline provided in the ‘[New Healthcare Facilities Programme Supporting Information – Budget 2025-2028](#)’, and notes that early works and construction on the Overdale acute facility will commence from Quarter 2 2025:



At a Public Hearing with the Minister for Health and Social Services on 16th October 2024, the Panel asked about the rationale for withholding information about expenditure on the non-acute facilities. The Minister informed the Panel that revealing expenditure on the non-acute facilities would also reveal expenditure on the Overdale acute facility. However, the Minister also indicated that a “*different view*” could be taken once works were contracted and underway:

**Deputy J. Renouf:**

---

<sup>5</sup> [Public Hearing – Minister for Treasury and Resources – 4th October 2024](#)

<sup>6</sup> [Bailiwick Express – Local contractors invited to help build new hospital](#)



*You started off by saying, obviously, the figures for Kensington Place and St. Saviour Health Village that are in the outline business case have to remain confidential. I understand why that holds with a huge project like Overdale, but why does it hold with these 2?*

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

*“Because if you reveal what those figures are, then people can very simply work out what the balance is and what is available for Overdale, so it makes sense to maintain that position for the time being. This is ongoing work. Once things are contracted, once things are underway, you can start to take a different view, particularly as the development process starts to evolve for the other 2 sites. Once we have got total clarity on what we are doing with them.”<sup>7</sup>*

It is the Panel’s view that once early works and construction commences on the Overdale acute facility in Quarter 2 of 2025, that the Government should publish total planned expenditure on the Overdale acute facility. (Even if contracts have not been signed, the bidding process will be well underway, and revealing the heads of expenditure total for the Overdale acute facility project will be immaterial.) In its Public Hearing with the Minister for Treasury and Resources on 4<sup>th</sup> October 2024, the Panel asked about the funding allocated to the non-acute facilities, and were told that these were a “minority” in relation to the overall budgeted amount for the Programme of £710m:

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

*“...in the project team do but this is driven by the new hospital facilities and I do not recollect, having 7 had briefings about the other 2 sites, but the plan is to make meaningful progress on that, so I think that is still in development and I cannot say any more than that.”*

**Deputy J. Renouf:**

*“But there are millions of pounds against those projects within that £710 million and ...”*

**Minister for Treasury and Resources:**

*“They are in the minority. They are not huge sums of money in the great scheme of things, I do not believe.”<sup>8</sup>*

It is also the Panel’s view, that once the total spend on the Overdale acute facility is published, that commercial sensitivity will no longer apply to the non-acute facilities, as the funds allocated to the Overdale acute facility represent the majority of funding which will in turn reveal funding about the non-acute facilities. Therefore, the Panel believes that details about expenditure on the non-acute sites should be published at the same time as details about expenditure on the Overdale acute facility are published.

---

<sup>7</sup> [Public Hearing – Minister for Health and Social Services – 16th October 2024](#)

<sup>8</sup> [Public Hearing – Minister for Treasury and Resources – 4th October 2024](#)

The Panel acknowledges the need for confidentiality in relation to detailed aspects of the Programme . However, the Panel believes that given the significant level of estimated capital expenditure on the Programme contained within the Budget, the States Assembly should be provided with greater transparency about expenditure on the key projects within the Programme. The Panel therefore requests a commitment that additional heads of expenditure for each of the key projects within the Programme are included by the end of Quarter 2 of 2025 (30<sup>th</sup> June 2025) and in subsequent budgets.

### **How the Programme funding will be utilised**

The Panel believes that the Assembly and the public should have much greater knowledge about the non-acute elements of the Programme. The development of the Kensington Place ambulatory facility and the St Saviour’s Health Village are significant, large scale capital projects in their own right, yet it is currently impossible for the public, the States Assembly or the Panel to properly scrutinise the expenditure allocated to them.

The Budget contains a separate chapter on overall Programme expenditure which describes developments following publication of the New Healthcare Facilities Summary Strategic Outline Case and feasibility study in 2023; the focus of Phase 1 of the Programme; the capital expenditure on the Programme from 2024 to 2028; and the overarching timeline for development of the Programme. <sup>9</sup>However, the Panel has considered this chapter within the Budget and is unclear about how the funds allocated to each of the key projects within the Programme will be utilised.

The Panel asked the Minister for Health and Social Services what was meant by “*meaningful progress*” as stated in the Budget in relation to the Kensington Place ambulatory facility and the St Saviours Health Village and was informed that:

*“meaningful progress means developing designs and plans and in delivering physical works”, and that the focus for both sites in 2024 would be “to develop the Development Control Plan into a feasibility study and where possible, progress with some early development works to improve operational capability at the site. Whilst the OBC sets out a plan for expenditure beyond 2024, this will be confirmed by feasibility studies.”<sup>10</sup>*

One of the most concerning aspects of the failure to provide separate heads of expenditure is the lack of visibility over potential overspends in each of the key projects within the Programme. This is because a single head of expenditure means that money can be moved between projects without any public reporting. At a Public Hearing with the Minister for Treasury and Resources on 4th October 2024, the Panel learned that it was feasible that funding could be moved between separate projects within the Programme:

#### **Treasurer of the States of Jersey:**

*“It is conceivable in terms of a single head of expenditure and the approach we would probably take in terms of the Public Finances Manual is to require some*

---

<sup>9</sup> [Proposed Budget \(Government Plan\) 2025-2028](#)

<sup>10</sup> [Letter – Minister for Health and Social Services re Proposed Budget \(Government Plan\) 2025-2028 - 13th September 2024](#)

*additional decision making outside of the project to move money between the separate projects.”*

The Panel believes that the Programme should be set out with a clear explanation of how funding will be utilised for capital expenditure on each of the key projects within the Programme. The Panel therefore requests that a supplementary narrative is included with the additional heads of expenditure, that contains details about how the funding will be utilised for each of the key projects within the Programme, as is provided for other Major Projects within the Budget.

### **Conclusion**

The Panel considers that greater transparency about capital expenditure on the Programme should be provided and requests that this is achieved through additional heads of expenditure for each of the key projects within the Programme. However, the Panel acknowledges that aspects of the Programme remain commercially sensitive, and therefore requests that heads of expenditure be included in future Budgets, by 30<sup>th</sup> June 2025. Furthermore, the Panel requests that a clear narrative about how Programme funding will be utilised is included as supplementary information to each of the additional heads of expenditure as is provided for other Major Projects within the Budget.

### **Financial and staffing implications**

The Panel does not anticipate that this amendment will create any financial and/or staffing implications.

### **Children’s Rights Impact Assessment**

A Children’s Rights Impact Assessment (CRIA) has been prepared in relation to this proposition and is available to read on the States Assembly website.