

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2023- 2026 (P.97/2022): TWENTIETH AMENDMENT

HOSPITAL FUNDING

Lodged au Greffe on 28th November 2022
by the Council of Ministers

STATES GREFFE

PROPOSED GOVERNMENT PLAN 2023-2026 (P.97/2022): TWENTIETH
AMENDMENT

1 PAGE 2, PARAGRAPH (b) –

After the words “those revised approvals” insert the words “, except that –

- i. To refer to their Act of 7th October 2021, in which they approved the funding of Our Hospital through borrowing (external financing), and to agree that such approval extends to the funding of ongoing work on the development of future healthcare facilities during 2023; and
- ii. in Summary Table 2, the “Borrowing for Our Hospital” should be renamed “Borrowing for Healthcare facilities”, and the maximum amount which may be borrowed for these purposes be set at £90,071,000, with the change to approval in Summary Table 2 amended to £-665,929,000 with the figure in each of the columns headed 2023, 2024, 2025 and 2026 in Summary Table 2 to be amended accordingly to reflect this change”.

2 PAGE 2, PARAGRAPH (c) –

After the words “of the Law” insert the words “, except that, in Summary Table 3, the transfer from the Strategic Reserve to the Consolidated Fund should be amended as follows –

- i. The transfer for Hospital capital should be amended to £51,500,000 for 2023 and zero in all future years; and
- ii. The transfer for Hospital borrowing should be amended to £4,200,000 in each of 2023 and 2024, £3,900,000 in 2025 and £3,500,000 in 2026”.

3 PAGE 2, PARAGRAPH (d) –

After the words “to the Report” insert the words “, except that in Summary Table 4 –

- i. the Total Project Approval for Our Hospital shall be amended to £77,116,000 with the Change amended to £-727,384,000; and
- ii. the following row shall be added to the end of the table –

£'000	Spons Dept	Supply Dept	Previous Approval	Total Project Approval	Change
Healthcare facilities ¹	HCS	IHE	-	60,360	60,360

4 PAGE 2, PARAGRAPH (e) –

After the words “of the Report” insert the words “, except that -

¹ Includes £8,860,000 spent in 2022 on Les Quennevais under Our Hospital Head of Expenditure

- i. in Summary Table 5i, the Head of Expenditure for Our Hospital – Financing Costs should be deleted and replaced with the following –

£'000	Income	Expenditure	Head of Expenditure
Healthcare facilities - financing costs	-	4,200	4,200

- ii. in Summary Table 5ii, the Head of Expenditure for Our Hospital should be deleted and replaced with the following –

£'000	Major Project	Sponsor Department	Supply Department	2023 Estimate
Healthcare facilities	M	HCS	IHE	51,500

5 PAGE 2, PARAGRAPH (i) –

Designate the existing paragraph as new paragraph (j) and insert the following paragraph as paragraph (i) –

i) “to refer to their act of 7th October 2021, in which they agreed to amend the Strategic Reserve Fund policy, so as to allow the Fund to be used to support the delivery of Our Hospital and to agree that the policy should be amended to allow the Fund to also be used to support the ongoing work on the development of future healthcare facilities proposed to be undertaken during 2023 and the borrowing costs for such work.

6 PAGE 2, PARAGRAPH (i) –

After the words “Appendix 3 to the Report” insert the words

“, except that page 69 shall be amended accordingly to reflect the ongoing work on the development of future healthcare facilities during 2023,”.

COUNCIL OF MINISTERS

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

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

- (a) to approve the estimate of total States income to be paid into the Consolidated Fund in 2023 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 2023, 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 approvals **except that –**

i. to refer to their Act of 7th October 2021, in which they approved the funding of Our Hospital through borrowing (external financing), and to agree that such approval extends to the funding of ongoing work on the development of future healthcare facilities during 2023; and

ii. in Summary Table 2, the “Borrowing for Our Hospital” should be renamed “Borrowing for Healthcare facilities”, and the maximum amount which may be borrowed for these purposes be set at £90,071,000, with the change to approval in Summary Table 2 amended to £-665,929,000 with the figure in each of the columns headed 2023, 2024, 2025 and 2026 in Summary Table 2 to be amended accordingly to reflect this change.

(c) to approve the transfers from one States fund to another for 2023 of up to and including the amounts set in Appendix 2 – Summary Table 3 in line with Article 9(2)(b) of the Law, **except that, in Summary Table 3, the transfer from the Strategic Reserve to the Consolidated Fund should be amended as follows –**

i. The transfer for Hospital capital should be amended to £51,500,000 for 2023 and zero in all future years; and

ii. The transfer for Hospital borrowing should be amended to £4,200,000 in each of 2023 and 2024, £3,900,000 in 2025 and £3,500,000 in 2026”.

(d) to approve each major project that is to be started or continued in 2023 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, **except that in Summary Table 4 –**

i. the Total Project Approval for Our Hospital shall be amended to £77,116,000 with the Change amended to £-727,384,000; and

ii. the following row shall be added to the end of the table –

£'000	Spons Dept	Supply Dept	Previous Approval	Total Project Approval	Change
Healthcare facilities ²	HCS	IHE	-	60,360	60,360

(e) to approve the proposed amount to be appropriated from the Consolidated Fund for 2023, 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 5i, the Head of Expenditure for Our Hospital – Financing Costs should be deleted and replaced with the following –

£'000	Income	Expenditure	Head of Expenditure
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² Includes £8,860,000 spent in 2022 on Les Quennevais under Our Hospital Head of Expenditure

Healthcare facilities - financing costs				4,200	4,200
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(f) in Summary Table 5ii, the Head of Expenditure for Our Hospital should be deleted and replaced with the following –

£'000	Major Project	Sponsor Department	Supply Department	2023 Estimate
Healthcare facilities	M	HCS	IHE	51,500

(g) to approve the estimated income, being estimated gross income less expenditure, that each States trading operation will pay into its trading fund in 2023 in line with Article 9(2)(h) of the Law and set out in Appendix 2 – Summary Table 6 to the Report;

(h) to approve the proposed amount to be appropriated from each States trading operation’s trading fund for 2023 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;

(i) to approve the estimated income and expenditure proposals for the Climate Emergency Fund for 2023 as set out in Appendix 2 – Summary Table 8 to the Report;

(j) to refer to their act of 7th October 2021, in which they agreed to amend the Strategic Reserve Fund policy, so as to allow the Fund to be used to support the delivery of Our Hospital and to agree that the policy should be amended to allow the Fund to also be used to support the ongoing work on the development of future healthcare facilities proposed to be undertaken during 2023 and the borrowing costs for such work.

(k) to approve, in accordance with Article 9(1) of the Law, the Government Plan 2023-2026, as set out at Appendix 3 to the Report, except that page 69 shall be amended accordingly to reflect the ongoing work on the development of future healthcare facilities during 2023,.”

REPORT

Background

The Council of Ministers does not dispute that there is a compelling case to replace the existing health estate. It is recognised that buildings are deteriorating, and that the standard of these facilities may, over time, start to compromise the delivery of health services.

The Council stands together in acknowledging that new, modern and fit for purpose health and care facilities are needed, and high-quality, safe facilities should be delivered as soon as is reasonably practicable. In addition, there is a strong consensus that whilst any new facilities are being delivered, the delivery of safe health and care services in the interim should not be compromised.

However, it cannot be overlooked that current cost estimates in respect of the proposed single-site single-phase scheme at Overdale are in excess of the budget approved by the States Assembly for delivering the project. Indeed, that excess is assessed as being significant – between £70 million and £115 million more than the approved figures and so not affordable within agreed limits. Using a phased approach gives us more flexibility and resilience, allowing us to proceed with each phase only when we know we can deliver it, and afford it.

Project review

In response to the current global context of increasing prices of materials, labour and volatile financial markets as a result of the currently unpredictable geo-political situation and the stark fact that the scheme as proposed is not affordable, the Chief Minister commissioned a review of the Our Hospital project as part of her 100-day plan upon taking office. The full review can be [found here](#).

The review, presented to the States Assembly as R.154/2022, provided advice to the Assembly about whether changes can be made to deliver a more affordable and appropriate alternative. The review concluded changes to the project could be made, most notably with respect to increasing affordability by reducing exposure to risk at any one point in time.

In summary, at a very high level, the review concluded that this could be achieved by delivering new healthcare facilities with a phased approach over two or more sites, including Overdale and areas of Kensington Place:

- To mitigate against the risk of entering into one single, significant value contract. Instead, smaller work packages for smaller elements of the project could be commissioned at times when they were considered more affordable in their constituent parts. In turn, it was concluded that local construction firms could have greater opportunity for involvement in these smaller works packages, therefore better supporting the local economy.
- To mitigate against the risk of exposing Jersey to high levels of debt at unfavourable rates of interest – an alternative financing model could allow phases to be financed in associated tranches. This would reduce exposure at any one point and enable the Government of Jersey to be opportunistic in taking advantage of moments to borrow where interest rates are more favourable. However, the financial model is not set. For example, the Minister for Treasury and Resources has identified other funding opportunities for the programme of

work, such as income received above income forecasts and utilising underspends from other areas.

- To reduce the degree of environmental or infrastructure impacts, when compared to a single-site scheme. Jersey has successfully operated multi-site healthcare for many years, in diverse locations and of an appropriate size for our Island. This will deliver a more appropriate service provision – to ensure that given our island context, the broad range of services delivered by Jersey’s Health and Community Services continue to be delivered safely on-island.
- To deliver elements of the programme quicker - a phased solution means shorter construction times. As a result, some healthcare facilities, and where possible those most needing replacement, should be operational in a similar timeframe to the existing plans.

Why amend the Government Plan 2023-26?

The proposed Government Plan 2023-26 includes funding to deliver the single-site single-phase Overdale scheme. In recognising that the scheme is no longer affordable, the conclusions of the review, and the anticipated changes in project direction, the States Assembly must note that previously anticipated expenditure on the project will not be as it stands in the proposed Government Plan. Therefore, it must be amended.

Funding will be required to:

- update feasibility studies that will be required to deliver a new delivery framework and programme with better time and cost certainty, with a view to minimising the risks outlined above. These will require expenditure on Government of Jersey team and professional services to develop a revised brief, early designs and a project programme and plan.
- continue the development of the former Les Quennevais School into a health and care facility, into which services can be relocated from Overdale during construction of that site or for other healthcare services. Although no future direction has been settled, there is an opportunity to retain this site as a delivery space for health and care services in the longer term beyond the construction of new facilities at Overdale, which may fit into a future model of care for Jersey.
- transfer the land at Kensington Place from Andium homes as a strategic purchase to enable the delivery of a multi-site facility.

Further to these initial activities, it is intended that further Propositions will be brought forward by the Council of Ministers asking the States Assembly to consider substantive financing and funding models to deliver new health and care facilities for Jersey as part of a programme of works, supported by designs and a robust case for delivery.

Finances and borrowing

The required changes to the Government Plan are set out below. The revised Summary Tables reflecting the amendment are included at Appendix 1 to this report. In addition, Appendix 2 to this report sets out the revised wording in the Government Plan (page 69) for the hospital project, including revised financial tables.

Capital costs

As an interim step, this Government Plan includes a new head of expenditure for healthcare facilities to replace the previous head of expenditure for Our Hospital. This will allow work on revised plans for new healthcare facilities to continue during 2023,

in advance of substantive financing and funding models being brought to the States Assembly. The new head of expenditure covers the following areas of expenditure:

	£'000
Healthcare facilities - Les Quennevais	7,000
Healthcare facilities -Strategic purchase of Kensington Place	16,000
Healthcare facilities - Development of Revised Scheme	28,500
Total	51,500

The amendment also changes the total Major Project approval for Our Hospital, to reflect the costs to completion of that project in 2022. The overall expenditure on Our Hospital up to 2021 was £63.3 million. A further £22.7 million is forecast for 2022, meaning total expenditure of £86 million (including £8.9 million on Les Quennevais).

Revenue costs

The Revenue Head of Expenditure for “Our Hospital - financing costs” is replaced with a new Head of Expenditure called “Healthcare facilities – financing costs”. The proposed Government Plan included financing costs of £3.05 million for Our Hospital, increasing in future years in line with the profile of spend and borrowing. This is amended to £4.2 million in 2023 and in future years, reflecting changes to the profile and cost of expected borrowing for the proposed 2023 capital works and the borrowing to conclude the work on Our Hospital up to the end of 2022. In line with previous decisions, these costs will be met by transfers from the Strategic Reserve.

Financing

The capital costs in 2023 (£51.5 million) will be funded through short-term borrowing initially utilising the existing and a new Revolving Credit Facility. A longer-term funding strategy will be brought to the Assembly as part of the development of revised proposals for the hospital project. The amounts borrowed will be kept to a minimum by utilising underspends. In line with the previous funding strategy, the borrowing will be credited to the Strategic Reserve and then transferred to the Consolidated Fund.

When added to the borrowing for the Overdale Scheme under existing approvals in 2022, the total borrowing requirement in 2023 is £90 million (which includes £38.6 million borrowing up to the end of 2022).

Conclusion

The single-site Overdale scheme, as proposed, is no longer affordable within approved budget limits.

The Council of Ministers and the States Assembly have an opportunity to adopt a prudent risk management approach to deliver a more affordable project through a different financing model, and by spreading commitment to spend over a longer period, rather than progressing a single large-scale and high-cost scheme with cost estimates for construction outside the forecasts within the Outline Business Case.

As the Minister for Infrastructure put forward in his review, It is time to put aside the public discord of the past and progress at pace, alongside a constructive dialogue with Health-care workers, Clinicians, Scrutiny, Assembly members and all Islanders, including neighbours and interest groups.

Appendix 1 – Revised Summary Tables

Summary Table 2 - Borrowing for 2023

£'000	Existing Approval	Change to Approval	2023 Approval	2024 Proposed	2025 Proposed	2026 Proposed
Costs of Covid-19	208,520	(208,520)	-	-	-	-
Fiscal Stimulus	29,641	(29,641)	-	-	-	-
Refinancing of past-service liabilities	480,000	(3,000)	477,000	477,000	477,000	477,000
Housing Bond	250,000	-	250,000	250,000	250,000	250,000
Total Approved Borrowing (before Our Hospital)	968,161	(241,161)	727,000	727,000	727,000	727,000
Borrowing for Our Hospital	756,000	(665,929)	90,071	90,071	90,071	90,071
Total Approved Borrowing	1,724,161	(907,090)	817,071	817,071	817,071	817,071

Summary Table 3 - Transfers of monies between States Funds

£'000		2023 Proposed	2024 Proposed	2025 Proposed	2026 Proposed
Transfer From	Transfer To				
Consolidated Fund	Climate Emergency Fund	4,400	4,400	4,400	4,400
Consolidated Fund	Strategic Reserve (Pensions refinancing)	1,790	2,192	2,605	3,028
Health Insurance Fund	Consolidated Fund (Revenue)	6,100	4,100	-	-
Health Insurance Fund	Consolidated Fund (Capital)	6,350	5,705	-	-
Criminal Offences Confiscation Fund	Consolidated Fund	1,811	777	-	-
Social Security (Reserve) Fund	Social Security Fund	89,000	-	-	-
Strategic Reserve	Consolidated Fund (Hospital capital)	51,500	-	-	-
Strategic Reserve	Consolidated Fund (Capital repayment)	1,000	336	-	-
Strategic Reserve	Consolidated Fund (Hospital borrowing)	4,200	4,200	3,900	3,500

Summary Table 4 - Major Projects

£'000	Spons Dept	Supply Dept	Previous Approval	Total Project Approval	Change
Infrastructure Rolling Vote & Regeneration Including St. Helier	IHE	IHE	-	14,715	-
Sewage Treatment Works	IHE	IHE	86,235	88,635	86,235
Learning Difficulties - Specialist Accommodation	HCS	IHE	9,350	9,350	9,350
Ambulance, Fire & Rescue Headquarters	JHA	IHE	24,403	24,403	24,403
Oakfield and Fort Regent Decant	IHE	IHE	9,402	9,402	9,402
Office Modernisation	IHE	IHE	3,923	3,923	3,923
Inspiring Active Places - Sports Strategy	IHE	IHE	814	3,914	
MS Foundation	COO	COO	11,446	10,871	
Cyber & Cyber ORI	COO	COO	14,970	16,358	14,970
Integrated Tech Solution Release 1 & 2	COO	COO	54,740	54,740	54,740
ITS Release 3 & 4	COO	COO	6,500	6,500	6,500
ITS Release 3 Additional	COO	COO	1,281	1,281	1,281
Digital Care Strategy	HCS	COO	16,185	16,185	16,185
Schools Estate	#N/A	#N/A	-	-	-
Jersey Opera House	ECON	ECON	-	11,731	-
Community Fund	T&E	T&E	-	7,000	-
Revenue Transformation Programme	T&E	T&E	9,425	9,425	
Our Hospital	HCS	IHE	804,500	77,116	-
Healthcare facilities	HCS	IHE	-	60,360	60,360

Summary Table 5i - 2023 Revenue Heads of Expenditure

£'000	Income	Expenditure	Head of Expenditure
Departmental Expenditure			
Cabinet Office	2,780	70,116	67,336
Children, Young People, Education and Skills	21,220	210,908	189,688
Customer and Local Services	10,452	105,755	95,303
Infrastructure, Housing and Environment	31,177	86,682	55,505
Health and Community Services	26,207	274,089	247,882
Jersey Overseas Aid	-	17,700	17,700
Justice and Home Affairs	4,530	39,700	35,170
States of Jersey Police	234	27,342	27,108
Ministry of External Relations	290	3,378	3,088
Department for the Economy	-	40,264	40,264
Treasury and Exchequer	3,355	70,743	67,388
Past Service Pension Liability Refinancing	174	13,956	13,782
Departmental Expenditure	100,419	960,633	860,214
Non-Ministerial and Other States Bodies			
Bailiff's Chambers	68	2,192	2,124
Comptroller and Auditor General	80	1,158	1,078
Judicial Greffe	2,382	11,509	9,127
Law Officers' Department	237	11,118	10,881
Office of the Lieutenant Governor	107	946	839
Official Analyst	53	738	685
Probation	88	2,732	2,644
States Assembly	68	8,814	8,746
Viscount's Department	826	2,928	2,102
Non-Ministerial and Other States Bodies Expenditure	3,909	42,135	38,226
Covid-19 Response	-	25,211	25,211
Departmental and Non-Ministerial Expenditure	104,328	1,027,979	923,651
Reserves			
Reserve for Centrally Held Items	-	43,506	43,506
General Reserve	-	29,187	29,187
Reserve Expenditure	-	72,693	72,693
Healthcare facilities - financing costs	-	4,200	4,200
Revenue Heads of Expenditure Total	104,328	1,104,872	1,000,544

Summary Table 5ii - 2023 Capital and Other Projects Heads of Expenditure

£'000	Major Project	Sponsor Department	Supply Department	2023 Estimate
Feasibility		T&E	T&E	1,830
Estates				
Land Acquisition		IHE	IHE	-
Oakfield and Fort Regent Decant	M	IHE	IHE	5,000
Inspiring Active Places - Sports Strategy	M	IHE	IHE	1,300
Office Modernisation	M	IHE	IHE	460
Crematorium		CLS	IHE	-
Vehicle Testing Centre		IHE	IHE	100
Orchard House		IHE	IHE	449
Other IHE Estate Projects		IHE	IHE	1,700
Jersey Opera House	M	ECON	ECON	6,270
Elizabeth Castle	M	ECON	ECON	2,027
Learning Difficulties - Specialist Accommodation	M	HCS	IHE	1,700
Health Services Improvements Programme		HCS	HCS	5,000
In-Patient/Support Services Refurbishments		HCS	HCS	749
New School and Educational Developments		CYPES	IHE	3,504
Upgrade to CYPES Estate		CYPES	IHE	13,621
Ambulance, Fire & Rescue Headquarters	M	JHA	IHE	800
Army and Sea Cadets Headquarters		JHA	IHE	960
Magistrates' Court conversion		JG	JG	750
Firearms Range		SoJP	SoJP	1,775
Dewberry House - Sexual Assault Referral Centre		SoJP	IHE	2,851
Prison Improvement Works		JHA	IHE	2,985
				52,001
Infrastructure				
Infrastructure Rolling Vote and Regeneration Including St. Helier		IHE	IHE	14,715
Sewage Treatment Works	M	IHE	IHE	11,966
Countryside Access & Wellbeing		IHE	IHE	-
Planning Obligation Agreements		IHE	IHE	-
Road Safety		IHE	IHE	-
Other Infrastructure		IHE	IHE	2,950
				29,631
Information Technology				
MS Foundation (M)		COO	COO	1,300
Cyber & Cyber ORI	M	COO	COO	5,000
Integrated Technology Solution Release 1 & 2	M	COO	COO	9,778
ITS Release 3 & 4	M	COO	COO	2,300
ITS Release 3 Additional	M	COO	COO	17

Other Government Wide IT Projects		COO	COO	3,399
Revenue Transformation Programme (Phase 3)		T&E	T&E	3,105
Digital Care Strategy	M	HCS	COO	5,300
Jersey Care Model - Digital Systems		HCS	COO	1,050
Next Passport Project		JHA	JHA	250
Combined Control IT		JHA	JHA	567
Electronic Patient Records		JHA	JHA	191
Regulation Group Digital Assets		IHE	IHE	1,252
Replacement LC-MS system		OA	OA	-
Probation/Prison Case Management system		Prob	Prob	440
Pride Software		JG	JG	-
Phoenix Software		Visc	Visc	300
Court Digitisation		JG	JG	1,639
				35,888
Replacement Assets and Minor Capital				
Replacement Assets and Minor Capital		IHE	IHE	3,930
Fisheries Protection Vessel & Auxiliary Vessels		IHE	IHE	-
Replacement Assets and Minor Capital		CYPES	CYPES	250
Replacement Assets and Minor Capital		HCS	HCS	3,755
Replacement Assets and Minor Capital		SoJP	SoJP	200
Replacement Assets and Minor Capital		JHA	JHA	162
Replacement of Aerial Ladder Platform		JHA	JHA	768
Replacement Assets and Minor Capital		COO	COO	3,000
				12,065
Community Fund	M	T&E	T&E	1,000
Reserve for Central Risk and Inflation Funding		T&E	T&E	8,100
Total Project Head of Expenditure				140,515
Healthcare facilities	M	HCS	IHE	51,500
Total Project Heads of Expenditure including Healthcare Facilities				192,015

Appendix 2 – Revised Government Plan section

Hospital Project

The review of the Our Hospital project (R.154/2022) was presented to the Assembly on 1st November 2022. The review provided advice to the Assembly about whether changes can be made to deliver a more affordable and appropriate alternative. The review concluded changes to the project could be made, most notably with respect to increasing affordability by reducing exposure to risk at any one point in time.

As an interim step, this Government Plan includes a new head of expenditure for healthcare facilities to replace the previous head of expenditure for Our Hospital. This will allow work on revised plans for new healthcare facilities to continue during 2023, in advance of a detailed budget and financing strategy being brought to the States Assembly.

The budget for healthcare facilities included in this Government Plan enables the project to:

1. update feasibility studies that will be required to deliver a new delivery framework and programme with better time and cost certainty
2. Continue the development of the former Les Quennevais School into a health and care facility, into which services can be relocated from Overdale during construction of that site or for other healthcare services.
3. transfer the land at Kensington Place from Andium homes as a strategic purchase to enable the delivery of a multi-site facility.

The capital costs, finance costs and borrowing included in the Government Plan are sufficient to enable the above activities to progress in 2023. A full funding strategy will be brought to the Assembly in due course.

A new head of expenditure for development of healthcare facilities is included in the Government Plan and designated as a Major Project.

In line with previous decisions, the borrowing will be held in the Strategic Reserve and transferred to the Consolidated Fund as required. The financing costs will be met from the Strategic Reserve (also in line with previous decisions).

Hospital project					
->2022		2023	2024	2025	2026
Estimate	£'000	Estimate	Estimate	Estimate	Estimate
	Revenue Expenditure				
500	Financing Costs - Revenue Expenditure	4,200	4,200	3,900	3,500
500	Total Revenue	4,200	4,200	3,900	3,500
	Capital Expenditure				
8,860	Healthcare facilities	51,500			
77,116	Our Hospital - Capital Expenditure				
85,976	Total Capital	51,500	0	0	0
	Strategic Reserve Transfers				
(500)	Strategic Reserve to Consolidated Fund - Financing Costs	(4,200)	(4,200)	(3,900)	(3,500)
(38,571)	Strategic Reserve to Consolidated Fund - Our Hospital	(51,500)			
(39,071)		(55,700)	(4,200)	(3,900)	(3,500)

Strategic Reserve Borrowing Proceeds					
38,571	Borrowing Proceeds	51,500			
38,571		51,500	0	0	0

Table 34: Our Hospital