

19-21 Broad Street | St Helier
Jersey | JE2 3RR

Dep. J. Renouf, Chair,
Hospital Review Panel

BY EMAIL

13 September 2024

Dear Chair,

Re: Hospital Review Panel: Proposed Budget 2025-2028

Thank you for your letter dated 27th August 2024. Please see the below in answer to the Panels questions:

Healthcare Facilities						
	2024	2025	2026	2027	2028	Total
£'000	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Healthcare Facilities	52,000	73,000	152,000	208,000	225,000	710,000

Table 35: Healthcare Facilities Capital Expenditure

1. We are seeking more information about the detail of funding in the Budget for the Programme:

a. Please can you provide details about the increase of £21m above the funding allocated to the Programme in 2024?

The increase from £52m to £73m between 2024 and 2025 estimates of cashflow relates largely to the anticipated activity in the following projects, including construction activities:

- Overdale Acute Development Works
- Westmount Road & St John's Road
- Overdale Acute Main building and infrastructure
- St Saviour Health Village
- Kensington Place Ambulatory

b. Please can you advise when will you able to provide a breakdown of planned expenditure for 2025?

The cashflow estimate in the Budget for 2025 includes a provision for actual expenditure and for commitments necessary to be able to contract for future expenditure. The planned expenditure for 2025 sits across all the projects except for Overdale Demolition Works which is due for completion in 2024. The estimate for 2025 has been undertaken on an earliest requirement basis to reflect potential

commitments. Once contractors are in place for each of the projects, cashflow will be revised to reflect their profile, including items that might require long lead-ins.

2. Please can you advise how the total estimate for capital expenditure of £710m relates to the total 'Revised Approval' in Table 4, 'Major Projects' of £770m?

The total estimate for capital expenditure of £770 million in the 'Revised Approval' in Table 4, 'Major Projects,' reflects the costs incurred up to 2024.

In contrast, the £710 million estimate reflects the projected costs from 2024 onward. The difference between these figures represents the distinct time periods they cover, with the £770 million accounting for some pre-2024 expenses and the £710 million focusing on future expenditures as the project progresses.

3. Please can you confirm the £658m increase in the cost of the Programme from £112m to £770m, as set out in Table 4, reflects the change in approach in this Budget which is seeking approval for the total cost of the Programme?

The previous funding £112m was costs anticipated up to mid-2024 (£60m previous and £52m in 2024) and this now includes the full funding for Phase 1 which was indicated, but not approved in the 2024 Government Plan.

4. Within the 'Healthcare Facilities' Major Project, please can you clarify total planned expenditure in relation to the following sites:

- a. The acute facility at Overdale.**
- b. The ambulatory facilities at Kensington Place and the existing General Hospital Site.**
- c. The Health Village.**

The total planned expenditure for the specified sites within the 'Healthcare Facilities' Major Project is contained in the Outline Business Case at the £710m level. Due to the commercially sensitive nature of this information this will not be disclosed publicly. This is to ensure that all contracts can be procured with commercial tension to provide the most economically advantageous offers for Islanders.

5. Please can you provide details about what is meant by "meaningful progress" in relation to the "ambulatory facility and Health Village"?

Meaningful progress means developing designs and plans and in delivering physical works.

The focus up to this point in 2024 has been on bringing the Acute Facility to the point of submitting a planning application and this has been achieved.

In terms of Kensington Place the focus for the remainder of the year will 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.

At the Health Village, the focus for the remainder of the year will be to develop the Development Control Plan into a feasibility study and to continue to review the requirement for future land acquisitions. Whilst the OBC sets out a plan for expenditure beyond 2024, this will be confirmed by feasibility studies.

6. Please can you provide details about total expenditure on the Programme in 2024 to date, as well as anticipated expenditure in the remainder of 2024?

Expenditure to the end of August 2024 totals £13.7m. Anticipated expenditure to the year end is subject to continual review as part of the total programme costing cashflow. Pending latest review, the year end estimated total spend is forecast to be £35m with a further amount required to allow for a commitment to be made related to Overdale Acute RIBA Stage 4.

There are also likely to be sums committed and hence declared as commitments in year-end accounts relating to planning and development works which may bring this spent, accrued and committed total closer to the £52m which has been approved for 2024.

Even if this cashflow does not come to the approved total it is likely that this will be largely deferred expenditure which will alter the amount required for subsequent years.

a. Please can you confirm the expected Programme outcomes and deliverables of the expenditure in 2024?

The deliverables for 2024 expenditure are likely to be:

- Refurbishment of Samares at St Ewolds and transfer of staff, equipment and services
- Completion of demolition on the healthcare site at Overdale as well as Thorpe Cottage and Mont Martin
- Acquisition of property at Edward Place
- Design development of FM Hub and Westmount Terrace and procurement of main contractors
- Design development of Overdale Acute Development Works and procurement of main contractors
- Commencement of feasibility studies for Kensington Place and Health Village and RIBA 2 Concept Design
- Completion of RIBA 3 Spatial Coordination for Overdale Acute, including submission of Planning Application and commencement of procurement of Delivery Partners. Continued support of Planning Application, including Planning Inquiry.
- Development of business cases from Strategic Outline Case and Strategic Outline Case Information Update to Outline Business Case and information provision for the Funding debate. Continued development of business case.
- Ongoing investigatory works at the Overdale site to de-risk the programme, e.g. Geotechnical and geoenvironmental surveys

b. Please can you confirm the expected Programme outcomes and deliverables of the expenditure in 2025?

The deliverables for 2025 expenditure are likely to be:

- Continued development of the Overdale Acute technical design information
- Completion of concept design and spatial coordination at Kensington Ambulatory and St Saviour Health Village and submission of Planning Applications.
- Continued progress of the Overdale Acute Development Works and Kensington Place Ambulatory Development Works
- Completion of the procurement of a main delivery partner for the Overdale Acute main building and associated infrastructure
- Commencement of construction on Overdale Acute Facility

I trust that the above is of assistance to the Panel.

Yours sincerely,



Deputy Tom Binet
Minister for Health and Social Services
E t.binet@gov.je