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Deputy Jonathan Renouf
Chair
Hospital Review Pane
BY EMAIL

14 August 2024

Dear Chair,

Re: Hospital Review Panel: Public Hearing follow-up questions

Thank you for your letter dated 7th August 2024 regarding the briefing to the Hospital Review Panel on the Outline Business Case ('OBC') for Phase 1 of the New Healthcare Facilities Programme. It is my view that the information contained within the Outline Business Case is commercially sensitive and that it should not be issued. However, a summary report on the OBC will set out aspects of the Programme clearly and understandably for States Members and the Public, enabling scrutiny of the proposals. It is currently being prepared and is likely to be available at the beginning of September.

The purpose of the OBC is to further develop the options for the development of new healthcare facilities in Jersey included in the Strategic Outline Case (shared with Council of Ministers and presented to States Members in 2023). The OBC seeks to identify the option which optimises the balance of value to the public with the benefits and risks associated with the recommended option. In doing so it should give further information on the procurement strategy, potential contracting model and confirm that the recommended option is within the affordability envelope set out by central Treasury.

To demonstrate these outcomes, the OBC includes detailed estimates of capital and revenue expenditure at a level which would be of interest to future commercial partners (design as well as physical works) as it gives the basis of all estimations that are not disclosed elsewhere in public documents. As the panel appreciates, it is vital to maintain a level of commercial tension moving forward. The need to do so has long been recognised and is not a new requirement for this programme with many large capital projects within Government (here and elsewhere) keeping their business cases private for commercial reasons.

It must be stressed that the estimates contained in the OBC are just that. They have been derived in accordance with industry best standards and benchmarks on the basis of the plans that exist today. There will be more certainty regarding each of the estimates as the plans develop. There will also be opportunities in the future where it will be possible to share further information on costs. Traditionally this is once contracts have been signed and we are out of those immediate commercial negotiations. We will, of course, want to be public about contract values, so that will be the time to release information, but not before.

On that basis it is my view that releasing any detailed financial information from the OBC will compromise the ability of the team to enter commercial negotiations with delivery partners before they begin that process in earnest. It will predetermine any outcome costs and mean

that any contingencies are identified as risk estimates for contractors, whether these risks exist or not.

Notwithstanding, it is absolutely my intention to share the detailed information that has been prepared for planning as well as key extracts from the OBC to demonstrate that the need for new healthcare facilities has been thoroughly explored and the recommended option is the best way forward for the Island. This will be with States Members, members of the public and key stakeholders.

We have had several private briefings with the panel on the OBC and have provided all the requested information to date. Both the team and I recognise the importance of the Hospital Review Panel in the overall machinery of Government and will continue to support with the review of the OBC and Programme matters more widely. This is in addition to the assurance of the information that has taken place across key government departments. The team also regularly brief assurance bodies such as the Risk and Audit Committee and internal and external auditors. As such, I am confident that there are significant opportunities for the work of the team to be scrutinised and challenged.

Thank you for your letter and for your continued scrutiny of the programme. Working together, with constructive challenge, I believe that we can achieve the best new healthcare facilities for islanders.

Yours sincerely,



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