



## States Greffe

Deputy Elaine Millar  
Minister for Treasury and Resources

### BY EMAIL

27<sup>th</sup> August 2024

Dear Minister,

### **Hospital Review Panel: Proposed Budget 2025-2028**

As you will be aware, the Hospital Review Panel is currently undertaking a [Review of the New Healthcare Facilities Programme](#). As part of its review work, the Panel is also considering the New Healthcare Facilities Programme in relation to the Proposed Budget 2025-2028.

The Panel would therefore be grateful if you could provide responses to the following questions, as soon as possible, by no later than **Wednesday 11<sup>th</sup> September 2024**.

Healthcare Facilities Financing Costs				
	2025	2026	2027	2028
£'000	Estimate	Estimate	Estimate	Estimate
Healthcare Facilities - Financing Costs	9,000	15,000	24,000	28,000
<b>Financing Costs</b>	<b>9,000</b>	<b>15,000</b>	<b>24,000</b>	<b>28,000</b>

Table 36: Healthcare Facilities Financing Costs

The inflows (borrowing proceeds) and outflows (transfers to the Consolidated Fund) through the Strategic Reserve are shown in Table 37.


Healthcare Facilities Strategic Reserve Movements				
	2025	2026	2027	2028
£'000	Estimate	Estimate	Estimate	Estimate
Transfer to Consolidated Fund - Financing costs	(9,000)	-	-	-
Transfer to Consolidated Fund - Capital costs	(73,000)	(152,000)	(208,000)	(225,000)
Borrowing Proceeds	73,000	152,000	156,000	-
<b>Strategic Reserve Net Impact</b>	<b>(9,000)</b>	<b>-</b>	<b>(52,000)</b>	<b>(225,000)</b>

Table 37: Healthcare Facilities Strategic Reserve Movements

1. The Budget states that “*interest costs (estimated at £25-£30 million) would be met from base case Pillar Two receipts...*”. Please can you clarify whether ‘interest costs’ fall within the ‘Financing Costs’ estimate information set out in Table 36?

2. The Panel understands that *“the full extent of Pillar Two receipts is not yet known...”*. Please can you advise what contingency is in place in the event that Pillar Two tax receipts are not sufficient to meet the £25-£30 million in ‘interest costs’?
3. The total financing cost estimates from years 2025 to 2027 have risen from approximately £20m in the previous Government Plan compared with £48m in the Budget. Please can you explain the rationale for the increase in ‘Financing Costs’ in these years?

Yours sincerely,



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Deputy Jonathan Renouf  
**Chair**  
**Hospital Review Panel**