

STATES OF JERSEY

OFFICIAL REPORT

WEDNESDAY, 6th OCTOBER 2021

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[9:30]

The Roll was called and the Deputy Greffier of the States led the Assembly in Prayer.

The Bailiff:

Before we move on to the next item of public business, I have agreed to permit an urgent oral question to be asked by Deputy Gardiner of the Chief Minister. I will allow 10 minutes of supplementary questions before bringing that to an end, which was approximately the amount of time allowed for each question during Questions With Notice when the sitting started.

QUESTIONS

1. Oral Questions

1.1 Deputy I. Gardiner of St. Helier of the Chief Minister regarding the wastewater processing facility at Bellozanne entering administration:

In view of the fact that NMCN, the lead contractor in the project to upgrade the wastewater processing facility at Bellozanne entered administration on 4th October, what are the implications for the project and what steps does the Government plan to take to protect local contractors from financial loss as a result of the transfer?

Senator J.A.N. Le Fondré (The Chief Minister):

The Operations and Transport Directorate are aware of the position of the main contractor for the treatment of waste project. This is something that has been tracked for many months and been the subject of many conversations between NMCN and the department. We are currently assessing our contractual and legal position while the formal administration process becomes clearer. It is the department's intention to continue the treatment of the waste project and continue relationships with the supply chain, especially with our local companies. I am informed we have systems in place for such eventualities and these processes will now commence. We hope to be in a position by the end of the next week to provide greater clarity as to our next steps. Until then, our business on the project continues. I will obviously comment that much of this lies within the Department for I.H.E. (Infrastructure, Housing and Environment) and the Operations and Transport Directorate.

1.1.1 Deputy I. Gardiner:

When did the Government first become aware that the company NMCN was in distress and what mitigation measures were put in place? Would the Chief Minister comment if the work continues as it planned for the contractors delivering the site?

Senator J.A.N. Le Fondré:

Sorry, the very last part of the question "or the contractor" ...?

Deputy I. Gardiner:

The first one was when you became aware what mitigation measures were put in place.

The Bailiff:

It was the last part of the question.

Deputy I. Gardiner:

The last part is would the Chief Minister confirm that the work continues today and tomorrow as planned and the contractors are not leaving the site, as was reported in the media?

The Bailiff:

I think a confirmation that the work continues today and tomorrow and thereafter presumably as planned and the contractor is not leaving the site as reported. Is that your question, the second part of the question?

Senator J.A.N. Le Fondré:

I am afraid I do not have that detail. All I can say is that I know staff are being spoken to on site today and as well as speaking to the local and wider national supply chain as to how we intend to proceed. There is obviously inevitably a bit of uncertainty but we do want to move the project forward, there is no question on that. I know when I was his Assistant Minister, the Minister for the then T.T.S. (Transport and Technical Services) and now I.H.E. is very keen on the project. It has been long running and it is still close to be finishing in either 2023 or 2024.

Deputy I. Gardiner:

What about the answer to my first part of the question, when the Government first became aware and what measures were put in place?

Deputy J.A.N. Le Fondré:

All I can say, as I said in the first part of the question, there have been some discussions in I.H.E. for a period of time but I believe the formal awareness was around 4th October when it was formally announced.

The Bailiff:

I just remind Members that all the supplementals, whether they are authorised or not, should at first instance be addressed to the Chair and not directly to the person providing answers.

1.1.2 Deputy R.J. Ward of St. Helier:

Just a simple question to the Chief Minister. Can he confirm that the project is going to be completed and that there will not be a significant delay while we are waiting? It is an important project and particularly for people who live in that area because it is improving the environment in terms of the essence that is produced from the waste.

Deputy J.A.N. Le Fondré:

I will not go into the detail but, as I said, the Minister for Infrastructure is very, very keen to make sure this is completed as close to schedule as possible, so it is going to be finished. The point I also make ... and as I said I was the Assistant Minister in the then T.C.S. department at the time when we brought this to the Assembly for approval. So it has been a longstanding project, it is an important project, and we wish it to be completed with as least disruption as possible, but certainly until we get clarity on the administration process there is always a degree of uncertainty but I am informed, without going into the specifics, that we have the relevant measures necessary.

1.1.3 Deputy R.J. Ward:

Can I ask the Chief Minister to confirm that if there is any additional expense caused by this change that the Assembly will be informed as quickly as is possible so that we are aware of what is going on in regard to the situation?

Deputy J.A.N. Le Fondré:

I would hope that we can give an update to the Assembly. I am going to say by the end of next week but hopefully slightly sooner than that. We have got to allow the formalities of the administration process to take place. Obviously if that changes we will make sure Members are kept advised.

1.1.3 Deputy S.G. Luce of St. Martin:

I agree this is a very, very important project that needs to be in place at the right time. My information is that there is nobody on site this morning and the project, therefore, is not continuing. A new contractor is going to be timely to be engaged and will have a big price for all that is involved. My question to the Chief Minister is: will the Government be willing to take on this project?

Deputy J.A.N. Le Fondré:

I believe one of the options would be to exercise step-in rights and, therefore, attempt to work, given where the project is, with the existing subcontractors and enable that work to continue. But, as I said, I am not sighted on the deep level of technicalities in this area. As I said, the Minister for Infrastructure is the one who is directly responsible.

1.1.4 Connétable M.K. Jackson of St. Brelade:

Would the Chief Minister confirm my understanding that this is the second contractor on site on this project, the first contractor having failed financially and this contractor was appointed to pick that up? Would he confirm that we will be learning from previous mistakes?

Deputy J.A.N. Le Fondré:

First, I think my understanding is similar to his. I cannot guarantee that is the case but that is also my understanding. As I said, my other understanding is that there are measures in place and I used the word loosely of step-in rights, if such an event that this occurrence had happened as it has done that there are measures that can be exercised to ensure the project continues with the least interruption.

1.1.5 Deputy D. Johnson of St. Mary:

I note that the company is placed in administration not liquidation and, therefore, that places the onus on the administrator to find an alternative. Could the Chief Minister advise whether there are in the original contract terms any provisions which enable the States to have any influence in that directly?

[9:45]

Deputy J.A.N. Le Fondré:

I will have to revert back to the Deputy with all the details and I will do.

1.1.6 Connétable A. Jehan of St. John:

Have the Government provided financial guarantees to any of the local contractors for this project at any time?

Deputy J.A.N. Le Fondré:

Again, I will have to revert and come back to the Connétable on that.

1.1.7 Deputy K.F. Morel of St. Lawrence:

An article in the construction news media yesterday cited the board as saying that there were 2 problem contracts. One of those contracts it cited as being the £60 million Bellozanne sewage works contract. It then went on to say that the 2 contracts in question seemed, words to the effect of, “excessively large for a company of this size”. How satisfied is the Chief Minister that appropriate due diligence was done in advance of the appointment of this company in terms of its capability for delivering this work in the context of all the work it had ongoing at the time?

Deputy J.A.N. Le Fondré:

I was not involved in that process. I do not know what date the present contractor was actually appointed. As the Connétable of St. Brelade has identified, I think in our time there was a different contractor put in place. I would expect the due diligence to have been appropriate, given the experiences from the first one, but again I am sure if the Deputy wishes, if he addresses those

questions to the department or the Minister, he can get a full answer, but I will endeavour to get a full answer for him.

1.1.8 Deputy K.F. Morel:

Will the Chief Minister endeavour whether it is to undertake a review of procurement processes to ensure that such due diligence questions are being appropriately asked and the processes being done adequately?

Deputy J.A.N. Le Fondré:

My anticipation would be that such due diligence questions are being asked. If we want to do a review of that process I am sure that can be arranged.

1.1.9 Deputy I. Gardiner:

As the Chief Minister stated in his first response that the Government currently are assessing the situation regarding a new contractor and implications on the project, I would like to ask the Chief Minister the financial stress of the company was known for a long time. If I understood correctly, the plan B mitigation measures in case the company is going bankrupt were not put in place. Is that correct?

Deputy J.A.N. Le Fondré:

Again, I cannot comment on that. I am very happy again to ask the question to the office. As I said, I have no direct responsibility for this project whatsoever. It is an Infrastructure capital project and obviously I believe they ran the procurement process as well, but I will very happily go and find out the answer. It would be helpful, although we cannot do it in this forum, to understand what the Deputy meant by a long time. I had understood this was a matter of months rather than years, but I might be wrong.

PUBLIC BUSINESS – RESUMPTION

2. Proposition to Lift the Standing Order Limiting Time on Speakers

The Bailiff:

That brings the open question to an end. We now move on with the Public Business. Immediately before we move on to the Our Hospital debate I have had notice that Senator Vallois would like to make a proposition lifting the Standing Order which limits the time on speakers. Senator Vallois, do you wish to make that proposition?

2.1 Senator T.A. Vallois:

Yes, please, Sir. If I can briefly explain my reasoning for doing so, I would like to request the lifting of the Standing Order particularly for the hospital debate. My reasoning for that is it is quite extensive debating and a great deal of technical information within it but also there are many parties that are at play here with regards to the hospital project. It is not just about the financing and the borrowing but it also about compulsory purchase which I believe has in the past been a contentious issue and a concern and we have to recognise the lack of debate that happened back in November. I would like to make the proposition and ask for support from the States Members to enable speeches, if they need to be ... they do not necessarily have to be but if they need to be, especially answering any technical questions of other Members then I would ask that we approve lifting the Standing Order.

The Bailiff:

Is that proposition seconded? **[Seconded]** Does any Member wish to speak on that proposition, the proposition being to raise the Standing Order for the purposes of this next debate only, that Standing Order being the Standing Order that places a time limit on speeches?

2.1.1 Deputy R.J. Ward:

I would like to speak to support this. My own speech will not be that long and I do not have a problem but this is such an important debate. We have to come to a conclusion today. We have to sort this out in this Assembly and if it means that we sit here and listen to ... and I really hope that we all listen to every single speech that has been made, even if it is tiresome, even if it is difficult, but we have to give that respect to everybody's view so that the public in Jersey can look at us and say: "Yes, they went through this incredibly detailed debate." We all know that before the last debate on the hospital we saw hundreds of presentations and many of us came in and felt we understood the decision before we came in but that was a mistake and there was an error made in that debate. I think by removing the time limits, what we are saying to this Assembly and to Jersey is we are going to give this the due diligence and time that is required to debate it properly in this Assembly. If you have sat there and thought: "No, let us just limit people to the 15 minutes because some people go on for a while" I would ask you, just for today, to say let us lift that, let us go with that and let us allow people to speak as long as they want on the topic that is so important to this Island and such an important topic for the future. That is why I would support this in its most basic form, so I urge Members to support this.

2.1.2 Deputy J.A. Martin of St. Helier:

I speak not to support this proposition. I really cannot understand why. The bringer of the amendment can speak as long as she needs, the bringer of the other amendment can speak as long as he needs and Senator Farnham in summing up can speak as long as he needs. It is technical. If we allow people to speak for an hour each, book Saturday in, not a problem for me because it will happen. We all know it will happen. It is a very important debate. We have had as important debates but we have stuck to the 15 minutes, except for the people who need to sum up. The rule of thumb, people might not like to hear it, is if you cannot get your argument across and your points in 15 minutes, you have probably lost it anyway. People do not listen, unfortunately, Deputy Ward. The brain starts shutting down. So I am in the hands of the ... well, Senator Vallois is in the hands of the Assembly. We will do it today and then we will do it again and we have been getting on great with the 15 minutes. Most people do not speak for 15 minutes. We have had some ... even the vote of no confidence, which was quite an important debate, we all managed to keep in the 15 minutes. I urge that we do not lift it for this.

The Bailiff:

It might help, before I call on any other speakers, to indicate that obviously the proposer of the proposition and the proposer of any amendment will have an unlimited ability to speak. I have also authorised that the Minister for Health and Social Services will also have an unlimited time to speak. I was requested to do so and have given that authorisation. On the amendment brought by the Scrutiny Panel, the rapporteur on the part of the Government will be the Chief Minister, so he will have the unlimited time but Senator Farnham will be time limited for that part of the debate himself. So that is just so Members know where we are in terms of who has an unlimited right to speak and who does not.

2.1.3 Senator K.L. Moore:

Your directions there were very helpful indeed, Sir. As you helpfully portrayed, there is not equality of arms therefore in this debate if the Minister for Health is also allowed to speak for an unlimited time. The bringer of this proposition is a member of the Public Accounts Committee and as such also has a very important interest in the debate and the good running of a considerable public project and, therefore, members of P.A.C. (Public Accounts Committee) have also an equally important interest in this matter and I think they ought to be given the opportunity to speak upon that too. I am sure Members have demonstrated in recent months that they are very able to make excellent speeches within the 15-minute limit and I am sure that many of them would not. However, I am usually not

mind to step out of our Standing Orders and our rules. I do think that this is an extremely important moment for the Island and other Members have a right to speak as they so wish.

2.1.4 Deputy M. Tadier of St. Brelade:

So here we go, we are now dealing with the inevitable consequences of the kneejerk proposition that we depart from the limits and the rights of elected parliamentarians. I know that there are many who have gone before us who fought for the rights of the Assembly, for the primacy of the Assembly and parliamentarians that even over this term have been eroded. We have seen a move from a 2-week to a 3-week cycle, which means that we spend less time in the Assembly, less time holding Government to account directly and publicly. Now, of course, in probably one of the most important debates that we are going to have we see that Members will be limited on how long they can speak for whereas the Minister and those bringing amendments will not be able to. A representative of a very important seat in St. Helier who maybe does not speak very often and does not speak for very long but who has done a great deal of research on this particular proposition and has had a great deal of correspondence from immediate neighbours, both for and against some very nuanced points, some very technical points ... you are going to be dish out your 15-minute allocation to talk about the years of spending, the years of income spending on the biggest project we will be dealing with in our lifetimes and perhaps for generations. So be careful what you wish for, is what I would say, when you put your own mantles on limiting how long you can speak for, because this is what you get for it.

2.1.5 Deputy R.E. Huelin of St. Peter:

As I understand it, any Member of the Assembly can ask for your leave to extend their individual speeches in any debate, which I assume is what the Minister for Health has done. So we can all do that ourselves and if, as Deputy Tadier suggested, one Member has done an enormous amount of research for his particular constituents, he is able to do that and ask you in advance to speak for as long as he wants. I believe that is the case, so I see that we have that chance in advance and therefore we do not have to have a carpet acceptance that we can all speak for over 15 minutes. I personally have been working very hard on my speech to make sure it is succinct and short. It is a subject I am passionate about and I could talk for hours on it but I have worked very hard to streamline that down because of my acceptance of Standing Orders and my desire not to request to take your leave.

The Bailiff:

That is correct, and the way that the limitation Standing Order has applied, certainly up to now, is that any Member who wished to have time extended has asked me in advance by email. That is what happened in connection with the rulings that I have made prior to this debate. As Members will be aware, it is what has happened for requests made in earlier debates, and that is the normal way that it is applied up to now, and that is why we are in the position that we are currently. A point of order, yes, Deputy Tadier.

2.1.6 Deputy M. Tadier:

What would happen if every States Member emailed you to say they wanted to speak for more than 15 minutes because they had prepared a detailed speech? What would happen in that scenario? Would it be down to your discretion?

The Bailiff:

The simple position with regard to Standing Orders is that it would be entirely down to my discretion. The way that I would be likely, without in any sense tying my hands, to apply that discretion would be to discuss that with probably P.P.C. (Privileges and Procedures Committee) and the Greffier of the States and suggest that the correct approach, if there had been a large number of people who wished to speak for longer, might be to consider a suspension of Standing Orders. Otherwise it would run a coach and horses through the general Standing Order itself were I simply to give permission to

everyone. But it is impossible to say exactly what would happen in any instant case. Does any other Member wish to speak on this proposition? A point of order, Deputy Ward?

[10:00]

2.1.7 Deputy R.J. Ward:

It is a question. With the advent of political parties, if a party identifies somebody as their main respondent, would they be extended time as well, or a limitless time, whatever that means, to respond in this debate?

The Bailiff:

I had not considered that matter before, I do not need to consider it in the context of this application; therefore, it is not a point of order that I need to give an order on at the moment. I will certainly reflect on that, Deputy, but I am not prepared to make a ruling when one is not necessary. Deputy Young, you have a point of order question, please?

2.1.8 Deputy J.H. Young of St. Brelade:

I would like to clarify, we have heard from Senator Moore that the Chair of the Public Accounts Committee has not made that request. Could that be confirmed whether you have had a request from the Chair of the Public Accounts Committee? I make that point because that does seem relevant to our decision today about equality of arms, if you like.

The Bailiff:

I have had no request that I have not acceded to. That answers your question, I think, Deputy. Does any other Member wish to speak on the proposition? If no other Member wishes to speak, then I close the debate and call upon Senator Vallois to respond.

2.1.9 Senator T.A. Vallois:

I thank the Members who contributed. Just to assure Deputy Martin, I am not a fan of raising Standing Orders and it is not something that I have done regularly, I think it is only once before, but it is the importance of this debate is the reason why I put this forward. I think the argument made by the Deputy of St. Peter is an example of what Deputy Ward was trying to make in terms of supporting a lifting of Standing Orders, is that he has made sure as a member of the Oversight Group of this hospital project that his speech is succinct and short. But if we are listening to each other in this debate and considering the arguments in a logical and an appropriate way then there may be a need to amend some of these speeches and it might mean that you go over those 15 minutes. I would like to hear all sides of the argument but I also would like to make the point that, although the Minister for Health and Social Services has requested longer and the Chief Minister is the respondent for the amendments, and we have Senator Farnham as the lead for the project, a large proportion of this is within the Minister for Treasury and Resources' remit. There has been no request to speak longer from the Minister for Treasury and Resources and this is a significant borrowing position, and also with regards to compulsory purchase, the Minister for the Environment. There may be a number of questions that Members might put during the debate that even if they have made their speech to make sure it does not go over 15 minutes, we would expect a response, hence the reason why I asked for lifting of the Standing Order just specifically for this proposition for the hospital. I am in the hands of the Assembly and I thank everybody for listening and taking this into consideration. I make the proposition.

The Bailiff:

I ask the Greffier to place a vote into the chat. I open the voting and ask Members to cast their votes in the normal way.

Senator S.Y. Mézec:

Could I ask for the défaut to be raised on Deputy Southern?

The Bailiff:

Yes, although Deputy Southern was excusé because we are operating under the system where if we are electronic we excuse people who do not at the time.

Deputy G.P. Southern of St. Helier:

Now I wish to vote but I do not have electronics.

The Bailiff:

That is all right, I will take your vote verbally if you wish to give it, Deputy.

Deputy G.P. Southern:

It is pour.

The Bailiff:

Pour. If Members have had the opportunity of casting their votes ...

Male Speaker:

I am unable to vote electronically; I would like to vote contre, please.

The Bailiff:

Contre, very well. Are there any other Members who are unable to vote electronically who wish to record a vote here before I close the voting? Very well, if Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. I am assuming those who are registering votes in the chat have not been able to vote on the link, otherwise we will have to do an exercise of counting carefully. The proposition has been adopted:

POUR: 27		CONTRE: 19		ABSTAIN: 0
Senator L.J. Farnham		Connétable of St. Helier		
Senator S.C. Ferguson		Connétable of St. Saviour		
Senator J.A.N. Le Fondré		Connétable of Grouville		
Senator T.A. Vallois		Connétable of Trinity		
Senator K.L. Moore		Connétable of St. Mary		
Senator S.W. Pallett		Connétable of St. Clement		
Senator S.Y. Mézec		Deputy J.A. Martin (H)		
Connétable of St. Lawrence		Deputy M. Tadier (B)		
Connétable of St. Brelade		Deputy S.J. Pinel (C)		
Connétable of St. Peter		Deputy L.M.C. Doublet (S)		
Connétable of St. Ouen		Deputy R. Labey (H)		
Connétable of St. Martin		Deputy S.M. Wickenden (H)		
Connétable of St. John		Deputy G.J. Truscott (B)		
Deputy G.P. Southern (H)		Deputy L.B.E. Ash (C)		
Deputy of Grouville		Deputy G.C.U. Guida (L)		
Deputy K.C. Lewis (S)		Deputy of St. Peter		
Deputy M.R. Higgins (H)		Deputy of Trinity		
Deputy of St. Martin		Deputy of St. John		
Deputy of St. Ouen		Deputy S.M. Ahier (H)		
Deputy of St. Mary				
Deputy J.H. Young (B)				
Deputy K.F. Morel (L)				
Deputy M.R. Le Hegarat (H)				
Deputy R.J. Ward (H)				
Deputy C.S. Alves (H)				

Deputy K.G. Pamplin (S)				
Deputy I. Gardiner (H)				

3. Our Hospital - Budget, Financing and Land Assembly (P.80/2021 re-issue) - as amended (P.80/2021 Amd.Amd)

The Bailiff:

Very well, the Standing Order is lifted, there are no time limits on speeches. The next item of public business then is Our Hospital - Budget, Financing and Land Assembly, P.80, lodged by the Council of Ministers. I do not need to give an indication as to who the main respondent is in this case because there are no limits on speeches. I therefore ask the Greffier to read the proposition but before doing so, however, there are 2 amendments: one lodged by the Connétable of St. Helier and one by the Future Hospital Review Panel. Assistant Chief Minister, are you accepting those amendments?

Senator L.J. Farnham:

No, Sir.

The Bailiff:

You are not accepting any of the amendments?

Senator L.J. Farnham:

No, we are lodging an amendment to the Constable's amendment but we can deal with that at the time. So we are not accepting the amendments as tabled.

The Bailiff:

Would you be accepting the Constable's amendment if the Constable is accepting your amendment?

Senator L.J. Farnham:

Yes, Sir.

The Bailiff:

Constable, are you accepting the amendment of the Council of Ministers to your amendment?

[Laughter]

Connétable A.S. Crowcroft of St. Helier:

Yes, Sir.

The Bailiff:

In which case, would you wish us to read the proposition as amended by the Constable's amendment as amended by your amendment?

Senator L.J. Farnham:

Yes, please.

The Bailiff:

Do Members agree that we may read the proposition as amended in that respect? Please do not ask me to repeat it. [Laughter] I will assume that that is then accepted and I will ask the Greffier to read the proposition as amended. That will leave the Future Hospital Review Panel amendment to be dealt with separately.

The Deputy Greffier of the States:

The States are asked to decide whether they are of opinion to refer to their Act dated 23rd October 2012, which requested the Council of Ministers to bring forward proposals for a new hospital, their Act dated 17th November 2020, which approved Overdale as the preferred site for a new hospital for Jersey and which approved the use of compulsory purchase of property identified in Appendix 1 of P.129/2020, if required, and their Act dated 1st February 2021, which approved Westmount Road as a 2-way roadway with areas for active modes of travel, such as walking and cycling, as the preferred primary access option for a new hospital at Overdale and to agree (a) a maximum expenditure cap for Our Hospital, to project completion, of £804.5 million, that cannot be exceeded without further approval from the States Assembly; (b) that the remaining costs of Our Hospital, to project completion, should be funded through borrowing (external financing) up to and including a maximum of £756 million allowing for the reimbursement of £12.7 million to those capital schemes that provided funding to Our Hospital in 2021; (c) that the Strategic Reserve Fund policy be amended so as to allow the fund to be used to support the delivery of Our Hospital, and to further agree that (i) the borrowing (external financing) obtained for Our Hospital, referred to in paragraph (b) above, will be paid into the Strategic Reserve Fund; (ii) transfers will be made from the Strategic Reserve Fund to the Consolidated Fund, as and when required and permitted, up to and including £756 million to meet the cash flows required to deliver the project, including reimbursement of funding to those capital schemes that provided funding in 2021; and (iii) all costs related to the borrowing (external financing) to meet debt financing costs, issuance costs, debt repayments, management and administration costs will be met from the Strategic Reserve Fund with a transfer made to the Consolidated Fund, as and when required and permitted (with the intent that sufficient returns are generated to meet the debt obligations and associated costs as they fall due); (d) in accordance with the terms of the Public Finances (Jersey) Law 2019 (the Law) to approve the following amendments to the Government Plan 2021-2024 (the Government Plan) (i) to increase the overall cost of the major project defined as Our Hospital to £804.5 million and to agree to the amendment of the figure shown for this project in Table 4 - Major Projects of Appendix 2 of the Government Plan as set out in Appendix 3 of the report accompanying the proposition; (ii) to increase the 2021 head of expenditure, being the amount which may be spent on this project in 2021, to £70 million, included in Table 5(ii) Capital Heads of Expenditure of Appendix 2 of the Government Plan; (iii) to increase the level of external borrowing (financing) required by £756 million for 2021, which may be obtained by the Minister for Treasury and Resources as and when required, to enable the delivery of Our Hospital and to amend Table 3 - Proposed borrowing of Appendix 2 of the Government Plan; (iv) to authorise the transfer of £21 million from the Strategic Reserve Fund into the Consolidated Fund in 2021, to meet the additional cash flow funding requirements of Our Hospital over and above amounts previously approved in the Government Plan for 2021 and transfers approved by the Minister for Treasury and Resources; (v) to agree that up to a further £2 million be transferred from the Strategic Reserve Fund in 2021 and into the Consolidated Fund and a new Head of Expenditure - Debt Management be established for up to £2 million to cover costs relating to the issuance, management and administration of the borrowing required for Our Hospital; (e) in accordance with the Compulsory Purchase of Land (Procedure) (Jersey) Law 1961 (i) to approve the acquisition by the public of the land and properties required to deliver the Our Hospital Project at Overdale, including, where appropriate, land or property to accommodate the hospital buildings and their reasonable curtilage and any other properties to facilitate access to the site as identified as the permanent site area on Plan 4 in Appendix 1; (ii) to negotiate with the owners for the purchase of the said land and properties at a fair and proper price to be agreed by the Minister for Infrastructure; (iii) to empower the Minister for Environment, in exercise of the powers conferred by Article 119 of the Planning and Building (Jersey) Law 2002, to acquire the land and any interest therein, including the acquisition of a servitude or other right over land by the creation of a new servitude or right, or to extinguish or modify a servitude or other right over land, by compulsory purchase on behalf of the public in accordance with the provisions of the Compulsory Purchase of Land (Procedure) (Jersey) Law 1961, not to be executed until the successful determination of the Planning Application for the new hospital

and access road; (iv) to provide funds to meet the expenses of up to a maximum of £36 million included within the budget sums included in paragraphs (a) and (b) above for the acquisition of the land and properties and any interest therein as referred to in subparagraph (i) of paragraph (e) in accordance with Article 3(b) of the Compulsory Purchase of Land (Procedure) (Jersey) Law 1961, and, in accordance with the Public Finances (Jersey) Law 2019 (“the Public Finances Law”), to authorise the payment or discharge of the expenses incurred in connection with the acquisition of the land and any other interests therein referred to in subparagraph (i) of paragraph (e), and of the payment of all legal expenses; (v) to authorise Her Majesty’s Attorney General and the Greffier of the States on behalf of the public to pass any necessary contracts in connection with the acquisition and subsequent sale of the site and adjoining land.

[10:15]

(f) that the planning applications submitted for consideration should fully describe the mitigations to address the Act of the States dated 1st February 2021 which approved the preferred primary access option for a new hospital at Overdale, including the following decisions (a) the minimising of any reduction in the green space and tree planting in People’s Park and Westmount Road and their environs, and any other parish land impacted by highway improvements in relation to the new hospital project, and the replacement of any green areas that are lost and any lost trees in consultation with the Connétable of St. Helier and Jersey Trees for Life; (b) the relocation and replacement of any existing community facilities that are impacted by the development of the new hospital access roads in consultation with the Connétable of St. Helier; and (c) the replacement of any parking facilities that are lost due to the development of the new hospital access roads at a location to be provided in consultation with the Connétable of St. Helier.

3.1 Senator L.J. Farnham (Deputy Chief Minister - rapporteur):

The need for a new hospital is accepted by all. The case for a new hospital has been well made on numerous occasions. In 2012 the States Assembly recognised the need, approved the case, and instructed the Council of Ministers to bring forward proposals for a new hospital. Last year, after 8 years of difficult and challenging debate resulting in indecision and delay, this Assembly finally approved the location and earlier this year we approved the access. At last we are making real progress. I bring this proposition today on behalf of the Council of Ministers and the Political Oversight Group to maintain that progress by seeking the Assembly’s approval for a maximum budget, the method of financing that budget, and agreement for the acquisition of land and property by compulsory purchase but only if absolutely necessary. Members will be aware from our recent presentations and updates that we have either purchased or agreed terms with the majority of property and landowners and I would like to extend thanks to those involved for their understanding and their co-operation. They have played a key role in enabling the project to maintain momentum which in turn will help to ensure that we deliver the new hospital on time and within the budget. There have of course been questions over the proposed budget of £804.5 million, or cap, I should call it, and comparisons have been made with previous iterations of the project where financial projections, excluding inflation, range from £440 million to £630 million with estimated completion times of up to 11 years. I must emphasise that none of these previous proposals can be compared on a like-for-like basis with the current project which seeks to deliver all of the key health facilities and services through a visionary single-site hospital and health estate and that hospital will be akin to having 5 hospitals in one. We will be a general hospital, an ambulatory hospital, an acute and specialist services hospital. We will provide extra facilities, facilities that the Island has never seen before, for maternity, women and children, and of course we will be co-locating adult and children’s mental health services. From a standing start in 2019, the Our Hospital Project, subject of course to approval by the Assembly today, will deliver a brand new, fully operational hospital and health campus by the end of 2026. Turning to the budget request to cap expenditure at £804.5 million, I will explain how we came to that figure and will provide some further information and context. Firstly, I will touch

on the financing proposal which the Minister for Treasury and Resources will explain, and other Ministers will explain in greater detail later in the debate, but in principle we are proposing what we believe to be the most optimum solution, given our current very strong financial position. Part (c) of the proposition asks the States to amend the policy for the use of the Strategic Reserve Fund. This will enable the fund to receive the borrowing raised for our hospital and will not only provide the funding required to develop the project but also to ensure that the States are able to meet their obligations in relation to the issuance and the repayment of the debt. There is a strong rationale behind this proposal. Interest rates are at a historic low. Borrowing at a fixed rate as set out in the proposition provides certainty by inflation-proofing the bond repayments. If interest rates rise, the bond repayments will not rise. Investment returns will cover annual financing costs and the growth in the reserves will repay the capital. Standard and Poor's cite Jersey's liquid fiscal assets as a key rating strength. It is far more prudent to keep our reserves intact, retaining full flexibility for future events. It is far more likely, it could be said, that a reduction in our reserves would lead to a downgrading in our credit rating which is far more likely than increasing the level of debt as proposed. Depletion or delay now may require borrowing in the future when interest rates are likely to be higher. Our modelling of the Strategic Reserve clearly demonstrates that a debt-funded solution retains a far higher value than a reserve-funded solution. I refer Members to page 39 of the report accompanying this proposition today where these forecasts are clearly set out. Put simply, the Jersey taxpayer will have substantially more reserves if we borrow at a low rate than if we use up the Strategic Reserve now. This project in contrast to previous projects has been compiled with strong clinical engagement and support and the budget includes all items of expenditure. It includes all expenditure incurred to date which could see a large amount written off if the project were delayed. It includes all detailed designs and professional fees right through to determination of the planning application and beyond. It includes the decommissioning, demolition, decant and migration of the current Overdale services to Les Quennevais and back to the new hospital at Overdale. It includes all of the main work: the main hospital, the enhanced mental health facilities, energy centre, the knowledge centre, and modern training facilities, which are so important to the development of our staff, car parking, all external works. It includes significant improvements to the public realm and the creation of new parklands, gardens, courtyards, additional green space and all landscaping. It includes all access and road improvements with sustainable transport options and facilities. It includes all of the equipment required and the technology, all land and property acquisition, and of course it includes all contingencies, optimism bias and provision for inflation. Our expert team have diligently and thoroughly analysed the level of investment necessary to complete the project. The costs have been meticulously scrutinised by the project team, the Political Oversight Group, government officers and by independent advisers appointed to assure Jersey is getting the right hospital and receiving the best value for money. I would like to put the proposed hospital budget into some financial context. The current health budget is currently around £230 million per annum. That means that over the next 40 years we will spend somewhere between £15 billion and £20 billion in delivering our health service. It is therefore essential that we make the right capital investment, a properly informed capital investment, informed by our experts and our clinicians to create an asset that we can deliver those £20 billion worth of health services for future generations of Islanders. I would urge Members to think to the future, to think of the time when the new hospital is open and operating and any doubts and concerns they might have now I can guarantee will be outweighed by the benefits of that new facility which could be there by the end of 2026. One thing we have not taken into account in our figures is land disposals because what this project does is consolidate huge swathes of our health estate into one location, freeing up a lot of land that can be used for essential purposes. That land has significant value. We cannot value that as part of our calculations because we are not sure what it is going to be used for. But if, for example, we use that land for housing which generally returns a highest value, then that land is worth significant amounts of money. It is difficult to put an exact amount on but I have spoken to our housing providers and to commercial providers and there is significant value to be attained for the taxpayer which we do not include. Any

delay to this proposal will have a knock-on effect to an issue what I think is, if not as important to the health of Islanders, more important at this stage, and that is of course the housing challenge we face. Any delay to this project will have a knock-on effect in freeing up essential land for use for housing. I know the former Minister for Housing and Communities will agree with me on that because he has been championing this for some time. In fact, I remember he put me under regular pressure in the site selection process because of this very issue. It is essential that we create the appropriate facilities with a flexible future-proof design and that is exactly what we have done with what we have presented to Members. It is essential that we invest in good quality clinical design and the best equipment and technology. While we debate the cost today, we must understand the value. We must understand that it is vital that we build a hospital that will last, a hospital that will give us really good value, not just financial value but the sort of value that will enable us to provide the very best healthcare throughout the whole life of this hospital. Whether it be 40, 50, 60 or 100 years, we will build a hospital to last. It is the sort of value that will attract the very best healthcare professionals. It is the sort of value that will provide better privacy, the sort of value that will provide dignity, the sort of value that will provide better care for our patients, our visitors and staff and, perhaps most importantly of all, the sort of value that will enable us to save more lives. I make the proposition. Thank you.

The Bailiff:

Is the proposition seconded? [**Seconded**] Very well, there is an amendment lodged by the Future Hospital Review Panel, I ask the Greffier to read that amendment.

4. Our Hospital - Budget, Financing and Land Assembly (P.80/2021): second amendment (P.80/2021 Amd.(2))

The Deputy Greffier of the States:

Page 2, paragraph (a), in paragraph (a) substitute “up to £550 million” for the figure “£804.5 million”. Page 2, paragraph (b), in paragraph (b) add the word “partly” after “funded” and substitute “£400 million” for the figure “£756 million”. Page 2, paragraph (c), in subparagraph (c)(ii) substitute “£400 million” for the figure “£756 million”. Page 3, paragraph (d), in subparagraph (d)(i) substitute “as up to £550 million” for “up to £804.5 million”. Page 3, paragraph (d), in subparagraph (d)(iii) substitute “up to £400 million” for the figure “£756 million”.

[10:30]

4.1 Senator K.L. Moore (Chair, Future Hospital Review Panel):

I would like to start by reflecting back, if I may, over hospital debates that have gone before. Before Members reach for their slippers, I am just going to focus mostly on the life of this Assembly and not debates before that. The Future Hospital Review Panel has, and I hope Members will agree, provided insight and expert advice to assist them in both the site selection and the access debates. But before those, early on in February 2019, shortly after the Minister for the Environment rejected Gloucester Street plans, Deputy Russell Labey, now our Minister for Housing and Communities, successfully brought a motion to rescind the Gloucester Street site for a future hospital project. He argued then that a change of site would deliver a cheaper alternative. He went as far as to suggest that the £27 million that would be written off would be recouped by that saving. As the Council of Ministers supported that proposition and caused in doing so the continuation of indecision and delay that the Deputy Chief Minister has just referred to, Members could expect them to support this amendment which aims to bring the cost closer to that figure of £466 million that was considered back then to be too much. The other concern at the time was that an alternative site would be better to prevent years of misery with noise and disruption due to building next door. Well recently the Planning Committee has passed an application for a block of flats to be built next door. Incidentally, it will be the same height as the hospital application that was turned down by the Minister, so demolition of 2 hotels and

a subsequent building project will be starting soon. As to the suggested saving, we do not need to be reminded that the previous site had a price tag of £466 million and this plan is almost double that at £804 million. A series of discussions behind closed doors followed that vote before the Chief Minister published his *Next Steps* paper, R.54/2019. On page 6, if anyone has it to hand, he stated that a fresh start would link healthcare with Guernsey, the U.K. (United Kingdom) and elsewhere. Well there is no evidence in that in the outline business case that is before us today. He also claimed there would be increased digitisation. There is no digital strategy in this outline business case and the plans would take into account a new model of healthcare for Jersey. Well they do not. In questioning we have been told that the hospital will in fact outlive any care model that is being proposed for the Island now and so it will be a flexible space to meet any such healthcare model that might be in use at any particular time. The Chief Minister also committed to bringing, and I quote, “people together in common endeavour instead of perpetuating disagreement”. That has not been the case either, sadly. We saw a crowd outside yesterday lunchtime. Over 100 people braved appalling conditions to attend a rally on Saturday. Then there have been the emails, countless letters to the media, the polls, and phone calls. At least you can say that the matter has got the public engaged in local politics but 80 per cent of people are unhappy with the decision we are being asked to make today and they are right to be concerned. As I have outlined in my speech so far, the proposals being brought by the Government do not achieve what was promised and they are based on inadequate information. In opening the debate, the Deputy Chief Minister claimed that the costs of the project had been meticulously scrutinised and checked by experts. Indeed, the comments that they shared with us late on Monday night also alluded to that point. I have a message from our advisers, Currie & Brown, who have great ability to offer their opinion in this area, and they have confirmed that it is their view that Mott MacDonald have not formally reviewed the outline business case as is claimed by the Government. But this, I am afraid, is an example of the number of occasions where detail has evaded us sometimes and not always followed what has been claimed. The Deputy Chief Minister has rightly called for unity but Scrutiny is here to hold Government to account and to offer advice as a critical friend. We have invested in that advice once again and this time from a different organisation, a highly-skilled Glasgow team called Currie & Brown. Additional support has also been provided by the widely respected Chartered Institute of Public Finance Accountancy. Their assessment has been provided to Members and I hope that everyone has had an opportunity to absorb the contents of their reports alongside that of the panel’s itself. With that information in its possession, the question for Members today is whether they should accept this inadequate plan that is going to cost Islanders, our children and grandchildren. Despite claims that a swift solution will be found, it has taken a long time, 2½ years to get to this point and millions of pounds have been spent on consultancy fees. One theme has remained the same, the project is dogged by insufficient evidence base and poor process. Back in November of last year when the Assembly voted on the site selection, the Scrutiny report found that proper process had not been followed. With the support of expert advisers, the report identified many issues but one that is particularly worth recalling today, as it remains relevant to this debate, was that the citizens’ panel, who had been called upon to consider many different site options, had not been asked to consider the matter of affordability when offering their views on each site. The Scrutiny panel successfully brought amendments. These, it seems, gave comfort that going forward, the Our Hospital team would provide robust information to the Assembly as they progressed with the project. If we all recall, such was the surprise that our amendments had gained favour across the Assembly, it seemed we were all stunned into silence, but we will not dwell on that perhaps. The access debate followed in February of this year. On that occasion our advisers stated: “We are concerned that proposals and decisions being made lack sufficient information, analysis and rigour. The level of information and evidence to support robust decision-making is lacking” they said. Today we are here to consider the outline business case and a request for funding and borrowing on a scale never before contemplated in Jersey. Once again, having used different advisers, there is a lack of robust information and a level of professional process that should have been expected, has not been followed. Our advisers consider that the size and scale

of the project is not justified. They say that if the Island is to build a hospital of this scale, then the costs provided are correct. However, the outline business case does not provide that necessary justification. The outline business case identifies about less than 300 beds. It is a figure that is much disputed and working at even the most generous of levels, a hospital of that size should be in the order of 52,000 square metres. I will go back to size and area later but it is a much evolving process and still a figure that is not nailed down and has a big impact on the overall price and cost of the project. But one of the ongoing issues that causes problems today in our healthcare service is that of staffing. It is a critical matter and is causing much concern from all levels, both among patients and people who work in our current hospital. I would like to take this opportunity to praise each and every one of our healthcare professionals in the Island who, particularly over the last 2 years, have gone above and beyond the call of duty and worked in the most difficult of circumstances. We are all united in our respect for those people and we are all united in our desire to deliver a hospital for them and for the patients both of today and of the future. But our job here today is to focus on this long-term decision and whether it is the right and appropriate thing to do for the Island. There is a lack of information as to the running costs of the buildings once they are complete. The team assure us that a new building will naturally be cheaper to run but that is not always the case. Firstly, we are told that 75 per cent of in-patients will be in single-bed units. That means that more staff will be required to care for them. Secondly, the building is much larger and, as advisers have pointed out, there is no particular focus on using green energy solutions. If I may offer an example, when the new police headquarters was opened, it cost more to run than the previous old buildings had. Our report also identifies that the plan does not focus enough on environmental measures that could help to reduce those costs. Currie & Brown explain that having an existing budget does not prove it is adequate in future and is of as much concern as the overall capital budget as there is no idea of how much it will cost to run and the risks associated with staffing it. We have not seen a reference to account for annual depreciation either. Surely, with such a large asset, depreciation will be considerable and will have an impact on Treasury figures going forward. The next item that will be expected and, as mentioned earlier, it was promised in R.54/2019, is a digital strategy. Healthcare systems are being completely transformed with particular speed following the experience of COVID. This direction of travel is one that will have an impact upon the size and scale of buildings in the future. Just as people have discovered they can work at home, so too will patients be able to access a greater variety of care at home, particularly diagnostics. This reduces the needs for patients to physically attend a hospital building and therefore could reduce the need for a large building. The Scrutiny report also finds that despite the Deputy Chief Minister's hopes that the project will come in under the £804 million mark, costs may increase as items such as preliminaries and inflation have not been nailed down. The advisers suggest that a 9.5 per cent profit margin and overhead cost has been agreed at too early a stage. The advice received points to a maximum rate of 5.5 per cent for a project of this scale. It suggested that the 9.5 per cent figure is probably based on an earlier price and has not been negotiated to reflect the new price. This makes a huge impact on the overall cost of the project. Members who attended the briefing with our advisers last week would have been able to see the considerable industry knowledge they bring to their work. In fact, Currie & Brown are the authors of 2 of the front-runner outline business cases and, therefore, they have a clear understanding of the subject. The super-summary of their advice to Scrutiny was to refer this proposition back as it does not contain sufficient justification for a project of this size and scale. But, let us be clear, we all want to deliver a hospital, just not at any price, so that is why we are bringing this amendment today and offering a solution, a way forward, a pragmatic approach to this project. Currie & Brown do conclude that the costs are robust for a very large hospital, and this is a point that has been emphasised in the comments from Government, but the issue they cannot fathom is why this project has been designed to be the size that it is. Rather than referring the proposition back, we are here today to offer a way forward and to enable the project to progress. The cost is the big question of course that has got so many people talking, but they are struggling to comprehend. This is a watershed moment for our

hitherto prudent Island. The evidence upon which we base that decision should be watertight, not full of holes.

[10:45]

Some have tried to claim that a vocal minority has taken over the debate and that is simply not correct. A poll conducted by *Bailiwick Express* received 1,000 responses, 80 per cent of which felt the project is too expensive. Over 130 submissions have been sent to the panel. People have contacted us directly, written to the media, made phone calls and stopped us in the street. They all share a similar sense of disbelief and frustration and many focused, quite rightly, on comparisons of projects elsewhere in their attempts to understand how and why this project has got to the scale it has. If we look across to the United Kingdom, last year the Prime Minister pledged to devote £2.8 billion to build 6 large new hospitals and to improve another 40. That averages out at a cost of £450 million per hospital. But if we look to other small islands perhaps, well known to us is Madeira, where they are building a 607-bed hospital for a population there of 260,000 people. The cost for that project is 375 million euros. In Málaga, an 810-bed hospital is being built for 375 million euros again. In Glasgow, a super-hospital of 1,677 beds was delivered for a price of £842 million. Our hospital is no way going to achieve that size and scale that the Scottish will be seeing. If we look slightly closer to home, in Guernsey 8 years ago, an additional wing was built for their hospital, providing 130 beds at a cost of £29.5 million. However, people who have tried to draw these comparisons, in fact, journalists too who have dared to provide such illustrations to the public, have been criticised by people running the team. Our advisers who have employed their industry-specific knowledge and experience to carry out a benchmarking exercise of hospitals with similar requirements to ours, have also been criticised by the Our Hospital team who say that comparisons are not suitable to compare with the project but what we fail to understand is: why is that? The Government has provided some benchmarking of their own and that in itself is of little use either. Two of the projects that they produced were very much smaller to the needs of our hospital. One of them was 22,000 square metres, another 12,000 square metres. Hardly comparing apples with apples. In fact, you could say it is bananas. It is understandable that we are all asking questions about the opacity of this massive decision and we should. A robust plan should withstand scrutiny and this, I am afraid, does not. In fact, the goalposts keep moving. So where does the project stand today? Today the Government have spent £59.5 million so far. By November, as we heard in the proposition, when the planning application goes in, they will have spent £70 million. There is budget and time with the right direction to use that information to reduce the scale and therefore rein in the cost. I will get back to the total floor space now and, forgive me, because there are lots of numbers, but I hope Members will be able to follow the general gist of the point. In late August the panel received a letter from the Deputy Chief Minister and in it there was an appendix which confirmed that the size of the hospital floor space was to be 65,000 square metres. However, later that month or early in the following, they were referring to a size of 73,000 square metres. Then when the revised plans were unveiled a short time later, we were told that they met a 69,000 square metre floor print. I may sound as if I am splitting hairs here but every 1,000 square metres is equivalent to about £5 million worth of cost, so it makes an incredible difference. But the panel was puzzled when the refined design drawings were revealed last month because we were told that the price had not changed despite the area changing and being reduced. Clearly now as we look back and scan the conflicting information that we have been given at those time periods we can see that the reason why the price did not come down with the refined drawings was that the area that had been agreed and priced to was always a much lower figure than was announced earlier this month. But we contend that there are, with a difference of mindset, opportunities to easily remove some additional space from the project without impacting upon care. At the moment, the project consists of 15 per cent of flexibility space that is baked into the plan. But it will not be left empty, administration will occupy it, we are told, which at hospital-grade building standards makes them very expensive administration areas. As we have heard, in future the need for a structure to deliver medical care may reduce rather than increasing, so could we not put some of

that administration in a regular building and ditch the expansion space, or at least some of it? That could save about £50 million from the build cost and will bring down the other costs in line with it. Just last week at a Digital Jersey workshop, there was exciting discussion about the future of healthcare and the potential for digi-health to reduce the number of people having to attend hospital so our need for physical hospital space into the future could reduce. But, as I pointed out earlier, there is no digital strategy in this plan. It is still under development after the whole team quit earlier this year in complete frustration. The high costs are not wholly in-build site of course. The headline figures that have been provided show £311 million is the main works, so almost £500 million make up other costs and contingencies. Restraint will enable the Island to focus on the real issues that need to be resolved. The retention of staff is a huge concern, mostly because people working in the sector are finding that the cost of living, coupled with an unpleasant culture at work, makes Jersey a difficult place to work. One person who called me this week spends a lot of time as a patient in hospital. They said that the biggest improvement we could make to healthcare would be to improve pay and conditions so that the hospital was fully staffed. Nurses have told me their concerns that staff shortages are posing a risk to patient safety to such an extent that they leave messages on the system at the end of every shift in the hope that the management will take action to improve service but they feel their concerns are ignored. Some of the consultants who signed that letter last week have asked the management to provide childcare to help ease the burden of the cost of living for some of their team. The answer they received was “no”. If we wish to tackle these important issues and genuinely protect our health service, we must manage our finances carefully as healthcare is nothing without its staff. But as a small Island we cannot do everything and, as we have said in our report, we have to cut our suit according to our cloth. Members will be warned this amendment will stop the project in its tracks. We say this Assembly should not be asked to commit the Island to such significant spending and borrowing based upon inadequate information and a process that has not sought to meet the promises that were given to this Assembly when they backed the move to a new site. The Corporate Services Scrutiny Panel has asked the Minister for Treasury and Resources about restraint on a number of occasions. The standard response we receive is: “We just need to build a hospital.” Of course, Minister, but not at any cost. Just as any person or business starting out on a building project of whatever scale must begin with a budget and then they work out what they can achieve within that envelope, so must we. Sometimes projects do go over budget, particularly large public projects, but as the Oxford Professor Bent Flyvbjerg explains in his paper *Megaprojects*, major public projects can suffer from a number of factors. One, which he calls the “political sublime” occurs when politicians become locked in by their focus on delivering a project. They want to see themselves succeed as that will be reflected in the building, to leave a legacy. We are at risk of this project spiralling out of control and gaining megaproject status. If we can turn now to the funding method. Again, the panel is calling for restraint by restricting the borrowing to £400 million. The Government, in our view, is proposing to behave like a hedge fund. As our adviser C.I.P.F.A. (Chartered Institute of Public Finance and Accountancy) concluded, the plan could inflict damage on the Island’s economy. Surely if the gamble pays off, it could be great, but they are proposing a very risky route. Markets have enjoyed stellar performance over the past 30 to 40 years but just as a lot has changed in that period, a lot can happen over the 30 to 40 years ahead and there are many risks and uncertainties. We heard from the Minister yesterday that if there is a major correction in markets, such as happened in the financial crisis, then the Treasury do not have a plan. We do not have the same economic levers either as nations that the Government compares themselves to. We cannot print money for quantitative easing unless we completely remove U.K. pounds from our economy and set our own exchange rate. Nor can we alter interest rates as New Zealand did yesterday for the first time in 7 years. The U.K. have moved from 27 per cent debt to G.D.P. (gross domestic product) to 107 per cent in the past 20 years. But as a small Island nation, we have historically taken a prudent approach and avoided placing ourselves in such a position. Of course money is cheap to borrow at the moment but why borrow so much for a project that has not justified its size or scale and has not even received a planning permission yet? Last night we were reminded on BBC Spotlight that the

former Chair of the Corporate Services Scrutiny Panel's position at the last time the Assembly was asked to consider a funding proposal for a hospital project was back in 2017. At that time, the Minister for Treasury and Resources wanted to borrow £275 million for a project that was costed at £466 million, a sum that included contingency, optimism bias, and site-specific costs. The then Deputy Le Fondré said of the funding proposal being brought to the Assembly prior to receiving planning approval: "Really, we rather suspect it is the cart before the horse because if there are any financial implications that come out of that planning inquiry, say, take off 2 storeys of the rather large mass that they are proposing, that could have a financial consequence which we will then have to say no whatsoever if we approve the scheme." As we know, the plans before us today do not have planning permission. They are much larger than the project of 2017 by about 20,000 square metres and we are being asked to agree a project which is almost double the cost when we were told that a change of site would be needed to deliver a cheaper alternative back in 2019. As elected representatives of the people, it is our duty to understand why this is and to be absolutely assured that we have all of the facts when making a decision of this scale. The analysis provided by Scrutiny concludes that we do not possess that information. We must take heed from what has happened across the globe. Over the past 2 decades there have been numerous examples of debt crises dragging down an entire economy. In 2001 in Argentina, debt reached unsustainable levels leading them to default them on their loans. In 2010, Jamaica's debt ballooned to 145 per cent of G.D.P. meaning nearly two-thirds of tax revenue was paying down debt and interest. In the same year, Ireland's debt dragged their entire economy into crisis, culminating in a bailout led by the E.U. (European Union) and the I.M.F. (International Monetary Fund). Greece, another country where debt quickly became unsustainable, required a bailout. Who or what will bail out Jersey if this plan to borrow the equivalent of a whole year's revenue goes wrong? Plenty of people here will point to the special circumstances in each case. But it is the same over and over, high debt coupled with a change in the economic environment led to disaster. For centuries, this Island has prided itself in offering political stability and prudent management of finances. The Government are asking us to take on the first part of this equation and they are hoping that the second part does not change. We cannot have an approach that is based on little more than a hope the global economy does not change. If the past 2 years have taught us anything, it should be that. The Chief Minister was at the Conservative Party Conference earlier this week and news reports tell us that the Chancellor there has warned that excessive public borrowing is immoral because of the burden it places on future generations.

[11:00]

I hope that the Chief Minister was listening. After all, he claims to put children first in his strategic priorities. Perhaps he could listen back to his own advice to the former Minister for Treasury and Resources in that debate of 2017. He said of that plan, when speaking in the Assembly's debate: "I am cautious. I am slightly risk averse. What my concern is, is the level of debt that our future generations will have to fund if we have a problem. We will not know whether we have a problem or not probably for 5 years. I hope and generally do recognise and reference was made yesterday that the Strategic Reserve still continues to make the returns it is doing. It is doing well. I would like to see more of those returns put in to paying for the project up front." The words of our now Chief Minister. So I look forward to the Senator's explanation as to what has caused his change of heart. His Council of Ministers is now proposing to borrow £500 million more than the previous project. Then we have of course their Government Plan. If accepted that will take our borrowing up to £1.7 billion in total, almost 50 per cent debt to G.D.P., which will impact upon our credit rating once again and weaken our position internationally as a strong finance centre. We learned just last week that G.D.P. and productivity have declined by 10 per cent in the post-COVID world. There continues to be many uncertainties on the horizon. What if G.D.P. and productivity continue to decline? How does the Council of Ministers propose the Island will cope if that situation would arise? As I start to conclude, and I am winding up, I would like to read an excerpt from one of the many letters that have been received. It says: "The expenditure that has failed to be adequately

demonstrated in the outline business case is, sadly, poorly calculated and inadequately substantiated. The Island is to be exposed to an inordinate and unsustainable level of expenditure that shall not only damage our healthcare going into the future but shall also have a serious effect upon social care too. Indeed, by the misuse of our supposedly ringfenced fund, already diminished by the Government taking from the fund, the main disadvantages of the proposal of the unquestioned acceptance of P.80 shall fall upon the shoulders of the disadvantaged of our society. The more well-off shall always possess the ability to use their own finances to pay for private medicine. The less well-off shall never have these opportunities.” I have reflected greatly on those wise words and I am sure that Assembly Members will do so also. In conclusion, the purpose of this amendment is not to stop this project. We all want to deliver a hospital and in good time. It is simply to put this project back on track as it is off the rails. This amendment provides a pragmatic solution. It enables the Island to build a hospital, but to build it at a reasonable price, one that will not inflict harm on the Island’s future.

The Bailiff:

Would you give way for points of clarification? There are 2 notified in the chat, Senator. It is up to you. You do not have to but you are able to.

Senator K.L. Moore:

I will perhaps listen to Members’ speeches as we progress.

The Bailiff:

Very well. Then you do not give way to points of clarification.

Senator J.A.N. Le Fondré:

Sorry, I am not sure if it is a point of clarification from the speaker or from yourself, it is an interpretation around the amendment.

The Bailiff:

That would probably be a matter for me. As to when it is best to raise it, let us find out. Is the amendment seconded? **[Seconded]** Very well, do you want to raise that point of clarification at this point?

4.1.1 Senator J.A.N. Le Fondré:

Yes. The clarification I was just trying to get to revolves around the interactions of parts (a), (b) and (c)(ii). I just want to clarify, I am looking between the original proposition as brought, the main proposition, and the amendment. Apologies for taking 2 minutes, it is numbers therefore it is slightly convoluted.

The Bailiff:

In which case you may not get too much help from me if it is numbers.

Senator J.A.N. Le Fondré:

I can flag it up and then we can see where we end up. Part (a), if I look at the original proposition as amended, the part (a) refers to the original cost of the project, which is £804 million. Part (b) is the borrowing at £756 million and part (c)(ii) is £756 million coming out of the Strategic Reserves. In other words, we borrow the money and put it into the Strategic Reserve and one takes all that money out. The amendment sets the expenditure cap at £550 million, which is in theory therefore the equivalent of the £804 million. It then sets the borrowing level at £400 million. But then it is only that £400 million that comes out of the Strategic Reserve. So therefore my query is in effect the cap is effectively £400 million, not a variation around the £550 million, because otherwise is that the case that one would have to come back to the Assembly to get clarification of the difference between the £400 million and the cap of the spend?

The Bailiff:

As I understand it, the maximum expenditure cap for the hospital would be reduced, if this amendment is accepted, to £550 million. The remaining costs funded through borrowing and that gives a maximum borrowing of £400 million. Then (c)(ii): “Transfers will be made from the Strategic Reserve Fund to the Consolidated Fund.” So £400 million goes into the Consolidated Fund and then, as and when required, including £400 million to meet the cashflows required. Effectively, the Consolidated Fund will only be able to transfer £400 million, which means presumably, if the amount from the Consolidated Fund cannot meet the maximum spend envelope, which perhaps is the thrust of your question, then that would place the Consolidated Fund in deficit, which would require an amending proposition to be brought by the Minister for Treasury and Resources.

Senator J.A.N. Le Fondré:

That is the point. It would require us to come back to the Assembly.

The Bailiff:

The answer is, if the overall funding envelope creates a deficit, an operational deficit in the Consolidated Fund, that is not permitted under the Public Finances Law, and Standing Orders provide for the Minister for Treasury and Resources to come back without notice and move a proposition before the Assembly to create or correct the imbalance in the Consolidated Fund. That would be, it seems to me, a logical consequence. The way these things have been done in the past is, if the Assembly has adopted a proposition, which, if it is operating, would place the Consolidated Fund in deficit, then at that point there is a short adjournment for the Minister for Treasury and Resources to come back with some form of proposition to amend the Government Plan to enable the appropriate funds to be placed in the Consolidated Fund, as I understand it. That will be Standing Order 80A, if my memory serves me right.

Senator J.A.N. Le Fondré:

Thank you. That is helpful.

The Bailiff:

One would assume that such a potential on the adoption of this has been anticipated by Treasury and therefore thinking hats are on in case it is adopted and has that effect. I am not completely certain that I have understood the figures fully, but the principle that the Consolidated Fund cannot be left in a deficit position without corrective measures is correct. Very well, Senator Moore has not agreed to give way to any further points of clarification. Therefore, Connétable of St. Helier.

4.1.2 The Connétable of St. Helier:

I commend Senator Moore on her speech, which I thought set out her stall very well. I have a specific question, which I am going to ask her at the end of my brief comments. I hope I will be allowed to make, as she did, a few introductory remarks about the project. I support the decision to build the new hospital at Overdale. I know that is not a decision by the States that the public are entirely happy with. I was clearly relieved that People’s Park was not chosen as a site, although I was vexed that it made the shortlist again. I am sure that many Members who went to the recent Electric Park Pop Festival on People’s Park will have been struck by what a useful space it is for community events of that sort and how absurd it is to suggest that could be in some way replicated in Gloucester Street once the new hospital is built and the old one is taken down. Personally, I have no problem with the idea of being able to see the hospital. I believe that, having spent some of my early parenthood living in Oxford, the John Radcliffe was like a beacon of hope and healing for people who live in the area. I believe that hospitals, universities, churches, and buildings of this sort, are well placed if the community can see them and admire them and be reassured by their presence. But my relief that People’s Park was not to be built on was short-lived when I was given to understand the collateral

damage and the impact on the community of people's homes and houses, the environment, and our heritage, that would result from the creation of a new access route. I outlined these concerns in previous debates and they light the heart of the amendments that have been accepted today. But the impacts keep coming. We now know that there will be a loss of parking at Cheapside, for example, and the new designs show an extensive civil engineering project, which will completely alter the approaches to St. Helier from the west. If it has been up to me, I would have required the Our Hospital Project team to consider signalised junctions at key place, Cheapside, Tower Road, Queen's Road, and so on, to optimise emergency access to the new hospital. After all, we already do this for the ambulances that come down Gloucester Street. I would further have required the new hospital to have an advanced sustainable transport policy, a plan that would have included shuttle buses. Other places do this after all to get the staff and the visitors to the new hospital: lots of drop-off areas and sufficient parking for disabled visitors. But otherwise an ambitious transport plan that would have reduced the need for the kind of access changes that are being proposed today. What I am saying is not an example of being wise after the event. I have been saying this ever since the project was outlined. But unfortunately the people involved in this appear to be completely in the thrall of a number of consultants, civil engineering firms, and experts with scant local knowledge. I believe they have been led by the nose to create this kind of arrangement. A lot of the responsibility for the proposed carve-up I believe is the Ministers for Infrastructure, not just the present incumbent, but past Ministers. There is, after all, no sustainable transport network that the active travel route up the hill can plug into, so what is the purpose of creating it? It is extremely difficult to cycle across town at the moment and how is it going to be possible to get to that new access? I sense that I am digressing somewhat from the amendment, which is looking at the cost. But my key question for the Chairman of the panel is, would supporting the amendment lead to a reconsideration of the costly and thus far intractable problems involved in these civil engineering works? I am thinking particularly of the plight of the Jersey Bowling Club. If Members were up early enough, they would have heard me speaking this morning on the radio about that and the other collateral damage I have already alluded to. I would like to know, and it will inform the way I vote on the scrutiny amendment, is there a chance to come up with a much more Jerseyfied approach to accessing the hospital with far less reliance on the private car? Far more effort to come up with a sustainable transport solution that we should all be signing up to because of our climate change commitments.

[11:15]

Could something be arrived at that would spare the Jersey Bowling Club and avoid the Government's current inability to find anywhere to put it? Of course, and I suppose I should declare an interest as Constable of St. Helier, it would involve a lot of the compulsory purchase of parish land, which is implicit in the wholesale redesign of the approach roads to the hospital. I look forward to hearing the Chairman's comments on my question.

4.1.3 The Connétable of St. John:

I remember clearly the debate about the hospital site in November 2020. I was not a Member of this Assembly but I was listening intently to the debate and literally shouting at the radio. Not because I am opposed to Overdale. For what it is worth, we need to get on and build Overdale but not at any price. None of us are experts in every field. We have to rely on information and data presented to us. Some of us, however, are experienced in compiling business cases and/or evaluating business cases in the commercial world. Prior to politics, I worked in the commercial sector for more than 4 decades and I can tell you with absolute certainty that a business case like the one we have in front of us here today, lacking in such fundamental and basic information, would never have been accepted. Indeed, such a business case lacking information such as revenue costs, staffing requirements, potential income forecasts, justification for size, justification for the amount of carparking. Remember, we are going for carbon neutral in 2030, something the Minister for the Environment said in the Youth Parliament Assembly only last week would cost the Island £300 million. Yes,

another £300 million. I will come back to traffic shortly. A business case lacking such basic information and data would not even get to an executive meeting in my experience, let alone be presented to a board for endorsement. Yet here we are being asked to support the largest capital project in the Island's history, £804 million on a "trust me, it will be okay" scenario. We have seen the change recently of the lavish roof, changed for something far more conventional and far more economic. The saving for this in the budget? Nothing. A reduction in size of anything up to 5,000 metres. Again, the savings shown for this in the budget? Nothing. A smaller carpark, still too big in my view? Again, no saving. We have just heard from the Constable of St. Helier some practical solutions in terms of transport. One of the reasons I was shouting at my radio was the insistence that the road needed to be altered for construction traffic. That is simply not true. A Member on social media was talking about the experts that were commenting on social media. I can tell that Member I am a chartered fellow in logistics and transport, so I can speak from experience and tell you and Members that 40-foot trucks can access the site using the existing road network and have access to the site and the neighbouring sites using 40-foot trucks on the existing road network. Is the proposer serious when he says: "Trust me, it will be okay"? Only yesterday, Monday, at a briefing we were told that 40 per cent of Islanders had private healthcare insurance. In answer to a question the week before, from the Minister for Health and Social Services, we were told some 25,000 Islanders had private healthcare. Which one is true? Is it less than 25 per cent or is it 40 per cent? We just do not know. Islanders, taxpayers, they expect us to make reasoned and professional decisions and to act responsibly with their money. They may not agree with our decisions but generally they will respect them if we have made those decisions based on sound information and data. Can Members put their hands on their hearts and say: "I am supporting the expenditure of £804 million as I have enough quality data"? There certainly has been enough quantity, but I am talking about quality. Looking through the Political Oversight Group minutes - I wish they were public - I was shocked at the lack of challenge this group is given during their meetings. Shortly after being elected, I was invited to a briefing by the Chief Minister and Deputy Chief Minister to talk about the hospital project. It took 5 minutes at the start of that meeting to get confirmation that the biggest project in our history was still being overseen by an interim project director. I was surprised at this as I thought it was a significant risk. So I submitted a written question. The answer to that written question in May said that the appointment would be made in quarter 2. Last week, I submitted a follow-up written question, just to check it had happened. Here we are in quarter 4, not in quarter 2, and again I was surprised to read that in fact the position has not been confirmed. Here we are, our largest project, and we do not have a dedicated project manager employed by the Government. We are paying for an interim. At that meeting, I asked what kind of facility would we get for £200 million less? Again, it is not uncommon to be told in commerce that you have 20 or 30 per cent less to spend on a project and be sent away to find a solution. I was told by a clinical adviser: "You would not get the hospital that you want." That was an interesting response as I had not been asked what I wanted. I explained that I did not want a world class hospital but a functional facility, a functional facility that was both affordable and future-proof. Well, I do not know if you have noticed, but the marketing information, some may say propaganda, has changed from world class to first class. You may think that is good, is it not, they have listened. But alas it is just the word that has changed because, just like the roof and the smaller footprint and the smaller carpark, you have guessed it, the price has not been reduced. Another question I asked was what was the plan for resilience? At this point I should remind Members that Planning Inspector Staddon, when he was looking at Gloucester Street, and looked at other sites, was told not to review a 2-centre option. It was confirmed by the consultant that a 2-centre solution has not been considered. Why, I ask? Why? In my view, if we had followed the Green Book then this option would have been evaluated. A 2-centre option could be both cheaper and quicker to deliver than what is in front of us today. Before people say it would be more expensive to run, I remind you that we do not know how much the current proposal is going to cost us to staff or to run. We keep hearing about the silent majority who just want us to get on and deliver. Well, as I have said, I agree, we do need a hospital, we need to get on with it, but we have a duty to be

responsible when we spend public taxpayer money, using all the facts at our disposal and our best judgment. A number of Islanders have written to me in recent weeks raising similar concerns and I would like to share some of these with Members now. A leader in the construction industry wrote to me saying: "I do not generally comment publicly on debates, hence my message. I am probably repeating the obvious. Without revisiting the detail of the project budget, what leaves me speechless is the amount of contingency, optimum bias, and more contingency, despite including tens of millions on project management and advice. Surely, with the amount of spend on experts, the experts should be expected to get an accurate cost. As a businessman, you cannot accept that level of contingency. You have to force the project delivery to a budget. Put a contingency into a budget and it will get spent. Surely the amount of money we have spent on experts, we should be able to have an accurate cost." I entirely support those views of the senior person from the construction industry. The numbers we have, we were given on Monday, there are £181 million in contingency, inflation and optimum bias, and that is 58 per cent of what the main works total is. A former senior health professional who worked on a national scale in the U.K. also wrote to me and I have since met with him. He told me: "The current estimate is beyond comprehension. We will be saddled with this outrageous vanity project at vast unjustified expense." A consultant who works in the hospital wrote to me last week saying: "Today's message from the hospital, we cannot even get medical records properly for clinic. It is not good when you do not know why a patient is there or what has happened before." He goes on to say: "The place is falling apart in terms of processes, never mind the building. As much as I agree with the need for a new facility, new leadership is needed first. I think the scrutiny amendment hits the nail on the head, by the way. Despite the letter from my colleagues, keep being the voice of reason." A very well respected local businessman described the proposed level of borrowing as scary when I asked for their opinion. It is like giving a young, inexperienced teenager their first credit card. They get excited, they go on a spending spree, getting to the card's max limit in no time. Then they spend a long time paying it off, not going out, not going on holiday, et cetera, because they have spent all the money that they did not have. I use these examples as they all agreed with me on one thing, we need to build a new hospital. We need to do it as quickly as possible but, and here is the but, we do not need to spend almost twice the amount proposed just a few years ago. I have been stopped many times when out. I do a blog update, a video blog update, every couple of weeks and I invited parishioners to contact me whatever their view was on this project. I have been stopped a lot in cafés, restaurants, getting my newspaper, et cetera. Every person that has contacted me either physically, by phone or letter, has told me that they are opposed to the costs. Genuine Jersey folk are concerned. They are concerned about the future of their Island, our Island, they are concerned about the planned expenditure and the planned level of debt. The argument for me over whether or not we need a hospital is settled. The debate over where to put it is settled, Overdale is where we need to put the facility. What we are debating is just how large a cheque are we, as an Assembly, willing to write here today without asking for further States consideration? Just what level of risk are we willing to accept on behalf of future generations of taxpayers? Just how shocking a business case will we deem to be satisfactory? The proposed level of borrowing in this business case is astounding. Yesterday I had an exchange with the Minister for Treasury and Resources. After the sitting, I went to find the information I had asked for. J.T. (Jersey Telecom) paid £4.7 million in dividends in 2019 and £1.4 million in tax. I am happy to be corrected. But what I was surprised to find out when I was looking into J.T. was that they have a facility for £50 million. How many Members were aware of that? Ports of Jersey have a facility for £40 million. We are responsible for both those organisations ultimately. There is a pattern developing. The reason for my question about J.T. yesterday was I believe that we could have had a significantly larger dividend from J.T. and, as I asked the Assistant Minister in a scrutiny hearing, I believe that a larger dividend of circa £100 million could have been used to pay towards the hospital and not to borrow. Senator Farnham and his Government colleagues have today proposed to borrow £756 million over a 40-year period. By the Government's own figures, the interest alone on Senator Farnham's debt will cost our Island more than £19 million every year.

[11:30]

To put this in perspective, next year the Government Plan proposes to invest £1.1 million into new initiatives putting children first, £1.2 million into new projects to help reduce income inequality and £1.5 million into new money into protecting our environment. This means that next year the Government will spend 5 times the amount just in paying off the interest on Senator Farnham's debt as the combined amount he intends to spend on new projects in these key priorities for Islanders. The Government tells us they can meet the high costs of these interest repayments by skimming the top off of our Strategic Reserve. What they have not assured us is how will they prevent tying the hands of future Governments over the next 40 years if they should have cause to use the rainy day fund? I will remind Members of the Treasurer's comments when he told us that the plan had passed most of the stress testing but not all. Using the fund, what are we going to do if we have lower returns and therefore no plan to repay the interest on the Government's debt? We heard Deputy Morel's questions yesterday: "What is plan B?" What they cannot provide is levels of certainty about the global environment that we will be in once we secure the long-term returns, which Senator Farnham's plan needs. Forty years is a long time. If I look back at the previous 4 decades, I recall just how certain they have been. Yes, we have had good economic times, but they are record length economic times. It is like a cycle, it goes around. Forty years ago, the Berlin Wall still stood, Margaret Thatcher was Prime Minister and the global internet was yet to be invented. How much has changed within the intervening time? We have had the Latin American debt crisis, the collapse of the Soviet Union, the dotcom bubble, the rise of China, the Asian financial crisis, the war on terror, the global financial crisis, the Eurozone debt crisis, Donald Trump, Brexit, and now COVID-19, with all of its financial consequence. How many of us can predict what will happen over the next 40 years? Are we really going to bet our children's futures, our grandchildren's futures, against these odds? Are we ready to say today that no Government will need to use the rainy day fund for the next 40 years? Even if they do not, will they continue to see good returns on the Strategic Reserve? What sort of message are we sending to Islanders if we write such a cheque today? I urge Members to think of their constituents, some of whom have not yet been born, who will be paying for Senator Farnham's debt and all the interest that will come with it for much, if not all, of their working lives. With threats like further waves of COVID, the continuing difficulties of Brexit, the challenges of automation, or of climate change, to say nothing of those unknown unknowns, which we cannot yet even see, Members need to ask themselves whether they are prepared to gamble taxpayer money on stable and strong returns from the rainy day fund for another 40 years. Are we willing to write a blank cheque for such large sums based on such shaky justification with such uncertainty ahead? I certainly am not, my constituents are not, and I will be voting for this amendment and against the proposition.

4.1.4 Deputy R.J. Ward:

I am pleased to follow the Constable. I want to focus on the amendment but it will inevitably have some link to the main proposition because this amendment offers an alternative to fund the project that has been agreed. That will require reference to that funding. I also want to ask all Members to think carefully about the way they approach this debate. We have seemingly huge division on our Island over this project. Speeches that make personal attacks will not help us to come to a collective answer to where we are now or into the future. Please stick to the debate. This is about funding, not where the hospital will be built. Of course, this has become a political issue. The election is looming and political careers may have been staked on the hospital being started or even on this hospital being stopped. But this amendment is about how we fund a project that has been agreed: to build a hospital on the Overdale site. It is not about introducing new sites or old sites to the process. That is the key. It is about whether we are convinced that the business case put forward for £804 million or more is acceptable or whether we want to amend this to limit the cost at this stage. So what of the amendment? Part (a) states: "A maximum expenditure cap for Our Hospital, to project completion, of up to £550 million, that cannot be exceeded without further approval from the States Assembly." So, if there is a strong case for more spending, it can be agreed. This amendment does not destroy

the project, it limits the spend, which will not all be needed in one go. We are not, tomorrow, going to go and get £804 million, put it in the bank and say: "Right, spend it all." This is going to take time and it will be done gradually. It has a built-in option to increase funding. Perhaps this type of financial consideration is what is needed in this project. Part (d) of the original project, part (d)(iii), which was mentioned in the opening speech by Senator Farnham, does state that: "Borrowing as and when required." Sorry, it was probably the Assistant Greffier reading the very long proposition at the beginning and I would just like to compliment you on doing so. I wonder if there will be a time limit on your speech. But, anyway, the borrowing as and when required. So the borrowing is not planned in one go and we need to remember that. We need to have the correct context about the timescale for this money. So where are we? The hospital has become a battleground rather than merely a project that addresses the long-term future of health in the Island. Many of the contacts I have had seem to be about the site selection but we have moved on and we need to address the build and its costs. So, let us turn to those costs from the tables of spend provided by Government, and I have a printout here from the presentation we had previously. I will look at this to explain the amendment. We have to refer back to the original cost to get a context of what the amendment is saying. Now, what people really need to recognise is that the main proposal of £804 million has a spend for the main works of £311 million, which includes the main hospital, the energy centre, mental health, knowledge centre, external works, carpark, highways, and demolition. So the main build is that £311 million. Keep that in your mind, I would suggest, as we go forward. The rest is about process and it is here where I have huge concerns. That is a significant part of the business case that I cannot accept. To put it simply, there seem to be a lot of fingers in the hospital pie fund. In particular, and I will go through some, there are P.C.S.A. (pre-construction services agreement) costs - I am not entirely sure what they are, I have been to the presentation, I have asked a number of times - £34.2 million. An assumption of £34.6 million for inflation, which could go up. We are entering into a time of return to what would be uncontrolled growth for most economies because that is what they will want as we come out of COVID. So we are not entirely sure what that inflation is going to be. There seems to be a high overhead and profit figure of £44.6 million. Is this a reasonable amount? Are we paying a Jersey premium? If we are, it is a lot more than we offer to our children at school, because their Jersey premium is much less than that. There is a figure of £39.5 million for the Government of Jersey team costs. Are we not already employing and paying a significant number of the hospital team in pre-existing departments? If so, what are we paying for? I have asked this question in 2 presentations. Someone else has asked the same question. There has not been a clear answer. It is that lack of clarity that we as Members of this Assembly must uncover. If we cannot, we cannot vote for something. It has been mentioned about contingencies, the figure is £73.1 million for client contingency. It is a huge figure. We could buy another office block for that. Even create a genuine climate emergency fund to start the restructure of this Island because we need to be doing that to future-proof. Look ahead. The Constable of St. Helier, I absolutely understand his concerns over sustainable transport because it is simply not happening. So we will have sustainable transport, I do not know where, around the hospital itself. How you get to that part of the sustainable transport I do not know. Although I will say there is a proposition that has been passed for designated lanes that could be used. But I digress. There is £33.6 million for professional design fees. These are costs of £260.4 million, nearly another hospital build. Nearly another main hospital, energy centre, mental health, knowledge centre, external works; take the carpark out, you could build the highways and the demolition again. But they are not tangible. They are costs, which we do not know about. There are other costs in addition to this: equipment re the provision of Overdale services, land acquisition, £34 million. Is this high? Is this not? I do not know, we are in the middle of a property boom. Perhaps land, it is perhaps the worst time to buy it, but it is another significant amount of money. My personal favourite, and it has become a personal favourite of mine, it is called optimism bias. A figure that is set aside, currently £38.1 million, that accounts for optimism that things may stay on track but sets an amount aside just in case. I know some people for whom this describes their entire financial situation and it would be inappropriate to name them because I may be living with

one of them. **[Laughter]** That is another £143.3 million of spend that will keep us still below the £550 million proposed. I am told that we cannot afford to send our children to school on the bus for free or give them a hot meal for free when they are there. There is a magic money tree for some projects or outline business cases. As for the amendment, I am not so certain about the proposal of raising £400 million of defined borrowing. We have to be careful. I do not agree with selling assets that we own. We have to look long term regarding these and lead the way for future security, not sell them in what could be effectively a fire sale, which I believe is what happened with the internet of things sale from J.T. I think it was a mistake to this day. If we looked to longer-term future, we could have made more money out of that in the long term and still have that control by us as States Members. But the free market reigned and there we go. We face a future climate crisis and need major investment. Borrowing to fund the building of a future-proofed infrastructure fit for the future may well be needed. That will be an investment that will pay dividends for us in the long term without doubt. One of my concerns is, if the borrowing goes wrong, previous Governments and Governments of this Island have one fallback position only and that is austerity. It happens again and again and again. When the going gets tough, what happens is the most vulnerable in our society become the target to pay that back. For every second that I am in this Assembly, I will oppose taking the most vulnerable in our society to pay off the mistakes of those in power. Of course there is other borrowing to deal with the pensions issue and to deal with Government projects we are still to look at in detail. However, I have seen the presentation, the theory behind borrowing, how it will be repaid, using the income from investment to pay debt seems convincing. But it has its risks. That money can only be spent once. I would love to have seen that money in previous years when it was really booming, rather than just going into a fund that now becomes important for borrowing more to be invested in our infrastructure or in our public services such as schools and hospitals at that stage. By not doing that then, we are in the situation we are with the hospital now, which is becoming unfit for purpose in an exponential way. I do not agree with those who want to restart careers in politics who say that borrowing is impossible. We live in a different world. But we have to get that right. The limits have to be understood and controllable and we have to look at worst-case scenarios. There is a massive irony of talking about debt for future generations when most young people will have to have an excessive debt just to find a home if they can, and one that they have rights to be in, and not just spend most of their income on an unsustainable rent situation. But, again, I move off the topic. I support the hospital at Overdale. I share my party colleagues' frustration at the lack of successive Governments to get on with this project. For example, bringing sites that were clearly unfit for purpose and delaying the process itself, such as St. Andrew's Park, sites that were never going to be accepted.

[11:45]

But just took months away in the name of consultation, and the lack of joined-up leadership because we do not have a system that gives us joined-up leadership or, it seems, accountability. So I do not want to see any more delays. The Government's attitude to this amendment ending the project is disappointing and not appropriate for the needs of the Island's health service. Build costs are well within the budget, so we can get on with this even with this amendment. I want to call on the Government to accept the outcome of this debate if the amendment wins and get on with completing this hospital in good time. To hold a proverbial gun to the Assembly in order to force through funding is not useful or conciliatory in any way. It does not show the type of leadership that we need on this Island. Part (d) I mentioned. Sorry, I will go back for that. I will mention one thing, I do not think I am going to go over 15 minutes, but the point made earlier about adapting what one is saying is important. The Deputy Chief Minister, there was a suggestion that land freed up from the estate can be an asset to be used in the future but we do not know how. But there always seemed to be a tacit suggestion that the old Gloucester Street site should be a housing site. Is that more development in St. Helier that we are looking at, less and less green space? So I raise that point now in this debate because I want it on *Hansard* to come back to if we ever get to that situation. It is important that we

have clarity and yet again there is not the clarity here. We need an outcome today and move forward. We need a hospital at an affordable cost and one that has the support of most of this Assembly. I will be honest, I have thought for some time that it is politically shrewd to offer up an expensive project and over time cut costs just before an election and say: "Look, we will deliver under budget." That is my concern about the original proposition. But that is horrendously cynical and I do not want it to be that way, so I hope I am wrong. But we cannot leave this to chance. We cannot leave it to chance to say: "Do not worry, they will not spend that £804 million in the end, all these contingencies will be mopped up and we will get it for about £500 million and something." We cannot leave it to chance. If we come back to this Assembly with a really tight case that says: "We need some more money to finish this for these reasons" we should listen to it and we should act on it and the amendment gives the opportunity to do that. It does not close this down. You cannot please everyone all the time but you can listen and change when necessary to make decisions more effective, better understood and better suited to the Island. This amendment is an opportunity to gain clear agreement that we need a hospital at Overdale. That is important. It is not about delaying the hospital or changing site, not for me and my colleagues anyway. It is about addressing the deep concerns over the proposed £804 million or more because there is not a cap on it. There is no cap, we can come back to the Assembly at any time and if we get down the line of spending £804 million and say: "We need about another £100 million otherwise we have wasted the £804 million" I do not think anyone in this Assembly is going to say: "Well, let us pour £804 million down the drain", are they? So this is not a closed figure. That concern permeates all sections of our society and I would suggest it permeates across the political spectrum. A unity that is strange, but there you go. If you are happy, I would say to Members, you are happy, you are convinced, you are satisfied with £492.8 million of spend that is not directly linked to the build of £311.4 million, then vote against the amendment, sign the open cheque, sign the loan application, but I cannot do this. I cannot accept the figures we have been given. Although I do not see this amendment as perfect, it puts a limit on spend now without a complete block on the project going forward. So let us get on with the build, let us limit the spend and work together to deliver this project, rather than dividing this Assembly and those we represent. This is a decision we are making long term into the future. Healthcare is vital in a civilised society. The affordability of that healthcare, I believe, can be certainly changed today and we will be in a better position as we leave this Assembly. The people of Jersey will believe that we have listened and we have acted appropriately. I urge Members to take this opportunity and not miss the chance to get on with this but at the right cost.

4.1.5 Deputy R.J. Renouf of St. Ouen:

I have always felt privileged that Members of this Assembly charged me to be the political lead for delivering care to Islanders. Because of that I can make no apologies for warning that the care of patients and the wellbeing of staff will suffer if we adopt this amendment. A project with a cap of £550 million is a very different scheme to the project that has been developed over the last couple of years. Even if we manage to retain the design team, the advice we are receiving is that it is a further 18 months to 2 years to redesign, to get back to the point where we now are. The project will stall. We would need to rework and rewrite the business cases and the functional brief. We will move into an election period and come through it; we will have no planning permission for ages. Throughout that period a new Assembly would convene and effectively be back at the starting blocks. Ten years after we started on this, States Members will still not have resolved the need for a new hospital. We know a need; we will not have resolved how to deliver what we know we need. All of this delay takes us well beyond the crucial target date for vacating what we currently have, which are severely deteriorating hospital buildings. That target date is 2026. We are spending millions of pounds maintaining the current hospital. Of course, thanks to wonderful staff, it is still a positive, inspirational place for patients, but those buildings are tired and they are deteriorating rapidly. For the sake of family and friends and relatives of ours who will be admitted as patients, for the sake of our long-suffering staff, I believe we have to get out of there as soon as we can. There is almost

nothing that can justify any further delay. **[Approbation]** The buildings are suffering from concrete degradation, they are crumbling, they are letting in water and it is affecting the structural stability. The plumbing system and the drains under the site are wholly inadequate. Overflows of sewage occur and contaminate clinical areas. Of course patients do not see that, our staff are well used to dealing with those sort of issues. But for how much longer? Water system needs intensive daily effort to avoid legionella risks. The roof of the granite block should be replaced if we are going to be using that building, as we saw last winter when parts blew off. Only last weekend, my maintenance teams were up on the roof replacing tiles that were blown off in the high winds. The windows throughout the buildings no longer fit properly and they let in water, they are single-glazed, and the wards do not have air conditioning. You can shiver next to the windows in the winter and if you are a patient when the summer sun is burning through, hey, we regularly supply you with ice creams or lollies in an effort to keep you cool. H.C.S. (Health and Community Services) has a stock of more than 100 electric fans and similar numbers of portable electric heaters to use on our wards. Our staff work hard to make patient and visitor experience a good one but there is often a serious impact on patients. As a result of the piecemeal development of the hospital, there are really significant challenges regarding patient flow and clinical adjacencies that do not support efficient and effective modern medical practice. That has obvious consequences for patient care. There are just not enough single rooms and we cannot create any more. We have to use single rooms to isolate patients and control the spread of infection. When we have more patients than we have single rooms and we need to isolate them, that is a problem. That use of single rooms means that, much as we try to put patients at the end of life in those single rooms, regrettably some of them have to pass away in the 6-bedded bays, in the wards. That is distressing for them of course, for their families who are huddled together in a cramped space between a plastic curtain and the patient's bed. That is distressing for the remaining patients in the ward and the visitors around them. How hugely upsetting for the staff who see this time and time again and are working in a building that does not and cannot provide the human dignity that we want to deliver at those times. That is perhaps the most upsetting part of the job I have, when relatives contact me, usually understanding the limitations of our buildings, but describing the awful circumstances in which they were at the departure from this world of a loved one. As decision-makers here, we can change this and we should not delay the essential change that we have embarked on. COVID-19 has especially highlighted infection control issues in our buildings. Our emergency department and many wards are small, space for patients is confined, storage is totally lacking and it is difficult for our staff to manage resources effectively. There are departments where you can walk in and you cannot see any surface that is not covered, covered with equipment, computers sit next to sinks because there is nowhere else to put them. In a previous debate, Members may remember receiving a letter from the Island's Medical Director, Mr. Patrick Armstrong. He told us that there will be significant clinical risk if we remain in the current buildings after 2026. Clinical risk, not just building risk. He told us of the significant infection control risks that the estate creates, which can never be mitigated to an extent that we can in a new facility. How do staff cope in that environment? What is the effect on them? They work in cramped conditions in buildings that are crumbling around them and do not support the efficient care, as professionals, they want to deliver. Their rest facilities in the wards are non-existent, but perhaps there are a few uncomfortable chairs outside the lifts or in the corridors. I have seen, more than once, staff sitting on the stairs to eat their sandwiches. Our junior doctors, who are in the front line of care and work long shifts, do not even have a doctors mess. That is something unheard of in modern healthcare. But you no longer need to hear it from me, or from the Medical Director, staff have written to States Members. Our consultants and senior clinicians tell us: "We do not have the luxury of further delays. We cannot continue to care for our patients, the people of Jersey, in the current building for much longer." Our nurses and midwives in the last day or 2 have said: "We can accept working in this environment for another 5 years in the knowledge that the new build had begun." Their letter goes on to describe the conditions they work in, the examples being the need to move equipment out of bathrooms before a patient can get in to have that bath. I thank them for speaking out so clearly, for

making so stark the choice before us today. They are extremely concerned about the risk of our project stalling. These are the people who deliver care to our Islanders, to our families, day in and day out. These are the people we put in the front line, so please do not give them praise for their commitment and dedication and then ignore their views. You might say it is all subjective.

[12:00]

Different people might experience it in different ways, but the state of our buildings have been evidenced by professional surveys and experts' reports to ensure the safe operational running of the current hospital as well as the replacement of critical equipment. On the back of all that they have given eye-watering detailed costings to maintain what we have, to try to keep us to an adequate standard for delivering healthcare for Islanders and to ensure we comply with the mandatory health and safety and building control standards. As a result of all that analysis, the conclusion is there is an effective tipping point around 2026 where the cost of keeping the hospital going escalates even more sharply. Essential major repairs or replacements will be needed to buildings and equipment. The cumulative cost of maintaining the current buildings up to 2026 has been estimated at £51.6 million. At the same time, the threat to service continuity, patient safety and patient experience also increases significantly. Why on earth would we now choose to add millions each year to that cost, settle for poorer health outcomes and demoralise our staff even further? We must be rid of the millstone around our neck that is Gloucester Steet and move into a fit-for-purpose hospital at Overdale in 2026 **[Approbation]** meeting the needs of our patients and our staff. The suggestion is we can meet those needs with a budget cap of £550 million, and that has been suggested because there has been a previous iteration costed 4 years ago that was £466 million. That is wrong. That was for a general hospital without the mental health facility that was coming forward at the end of the last States term at an additional £45 million, 4 years ago. That was to have gone on another site. We decided that we need a parity of esteem between physical and mental health so we are bringing the mental health unit into the general hospital, and thank goodness we are doing that. I want to consider what we will deliver in the Our Hospital Project and compare it with our current provision or what was intended in the previous future hospital project. In the Our Hospital Project we are consolidating a number of services that are spread across various sites so that is a reason why it is greater than £466 million. We are bringing from other sites services we have, so that includes the relocation of most of the current services at Overdale to Les Quennevais and then returning them to be part of a campus solution at Overdale. Yes, we need a car park because we have chosen Overdale and Overdale is not in the centre of town. Of course, we need a car park. We will do as much as we can to encourage sustainable transport, cycling, walking, shuttle buses, but we must remember that many of the people we serve are of an older age, whether patients or visitors. We must remember our staff work unsocial hours that might mean travelling there early in the morning or late at night, so we need to build a car park. Our theatre sterile services will be relocated from Five Oaks, an example of creating efficiency and freeing up that building on the Five Oaks site. We are building a kitchen permanently on that site instead of our present arrangements off-site on a leased property that when the lease comes to an end we would have to re-provision anyway, so we are providing it at Overdale. We are providing a knowledge centre. How proud of that can we be? A knowledge centre where we can deliver fantastic training to recruit locally more staff, to invest in staff development that will aid the retention of our workforce. This hospital at Overdale will have an increased capacity in the theatres and our wards. We will have better treatment facilities in our outpatient clinics. We will have vastly improved staff facilities. There is in that budget all the boring stuff, the necessary stuff about site acquisition costs, the inflation, the access costs, but it is suggested that perhaps we do not need all that. We can deliver that same quality, it is suggested, at £550 million. How? It is suggested we can cut the size of it. It is suggested we should perhaps do away with the private patients' facility. I want to talk a bit about the private patients' facility because it is an easy target, but the opportunity for medical practitioners to practise privately is available in all Western healthcare economies. Let us acknowledge that, and it is an expectation of senior practitioners when

applying for roles. Appropriately managed private practice covers the overhead costs of the hospital and generates income to be invested in public services. At present, our 14-bed private ward generated £10.7 million for the hospital in 2019. Let us face it, if we think that doing away with the private patients' ward will mean we will not have private patients, no. Private practice will always happen. We harness its benefits for the public good and the public purse by making proper provision for it. Provision on-site means we know where our doctors are practising, we know what they are doing, who they are seeing, what income is being generated. We measure and manage it for the benefit of public practice. However, if we were to drop the private patients' ward to deliver within the £550 million envelope it will be built elsewhere. There is a market locally. Private hospitals have been proposed before. I fear we will end up with a suboptimal public service because of cost constraints imposed by limiting our cap to £550 million, but we have an unconstrained private service elsewhere. Because Islanders see a suboptimal public service they are increasingly attracted to private services. They adjust their own budgets to start paying for private healthcare. We then create a 2-tier healthcare system in Jersey around affordability. That is not the ambition we have in H.C.S. and not the ambition we should have at all. We want to deliver a safe, modern, high quality public service that delivers better patient experience in a well-designed hospital environment. We are bearing down on waiting lists. We have far better oversight on the provision of private practice among the public practice. We can move to a situation where there is an acceptable difference in the waiting lists for public and private. We might be in a position where there is not too great a difference and the reason people will go private is for those added luxury items in their private room or the ability to receive visitors day or night or for the timing they can choose for their procedures. But paring down the budget, dispensing with private facilities that will be replicated elsewhere leads to that 2-tier system with unduly large private provision and poor public provision. I was really surprised when the Reform Party said they wished to go with this amendment, given their recent questioning and their concern, which I think is very valid, around private provision in this Island. What would a pared-down hospital look like? The Scrutiny report we have had over the weekend does not explain how each of the panel's suggestions create savings, enabling us to cut that cap from £804 million costed to the £550 million plucked out of the air, it seems to me. I do not believe the range of clinical services appropriate for Jersey can be delivered for £550 million unless we start compromising the quality of care and safety. We cannot opt out of delivering care to required standards. We cannot present cheaper options that are not feasible. If there was a significant reduction in clinical services, that would result in more Islanders being sent off Island for treatment. That might reduce capital costs but would add significantly to revenue costs. Perhaps it could be done, perhaps that might be the desired outcome to save money here, but we know that Islanders want care delivered as far as we can on Island. There may be services we have to cease offering. In our wonderful assisted reproduction unit, we have plans to enhance the services there, to make them available to more mothers, but I could foresee that being a casualty of a reduced cap on our budget. Our maternity services have recently been reviewed by the Scrutiny Panel and I thank them for an excellent review, and they are working with us. We agree on the improvements that need to be made that give parental choice, provide options for delivery and new ways of working in services that are led by midwives or consultants, that provide greater facilities in S.C.B.U. (Special Care Baby Unit), that provide for fathers to be able to spend overnight with their spouses or partners. What would a scaled-down budget provide? I do not believe we could have the individual rooms we want to provide. We would have to have partners and families in bays where there is no privacy or dignity. There would be safeguarding issues because we could not have fathers spending time overnight, possibly, with expectant mothers. Our new hospital is planned to have an integrated theatre system based in the labour ward that we do not have at the moment but we can build a theatre in the maternity unit. The new hospital will have modern, safe-birthing facilities. The new hospital will have a high dependency unit for children. It will have a neo-natal and paediatric assessment unit, and the paediatric ward on the same floor. *Maternity Voices* stated that care in a modern facility increases women's confidence in their ability to birth. That new hospital will allow us to offer more choice

for women to give their birthing plans the right options that they have chosen. Then, our paediatric services for young children. Being in hospital has a profound effect on children. Babies in S.C.B.U. have problems bonding with their parents. Toddlers find it stressful as they do not understand why they are there or what is happening to them. Older children feel anxious and scared. We want to offer a different experience for our paediatric patients that encompasses patient and family and allows overnight stays for family and home from home care. Children need healthcare that is not just some replication of what we do for adults but is designed for their unique healthcare needs and delivered in an environment that is designed for children: carefully designed spaces that can provide supportive spaces during the child's inpatient stay; large, bright, accessible lounges that include a communal dining table and lounge seating.

[12:15]

All that will enhance healing and support for children, get them well and get them out of that hospital sooner than we can at the moment. There will be designated play spaces where children can play alone safely or with their parents or siblings, because we know play is therapeutic and there will be patient rooms that prioritise visibility over privacy so that safe care can be delivered as children cannot always verbally communicate distress or pain or use call bells. That is not provided in our present hospital, despite best staff efforts. It was poorly provisioned in the previous iteration, but we are designing this for our hospital at Overdale. But I fear we would lose so much of that because reducing our building reduces our options, our flexibility to adapt to changes and our ability to manage infections risks. It compromises services and care of patients is affected. Service design that has come forward after so much work has been clinically led and it is agreed as appropriate for Jersey and the context of an island [**Approbation**]. The hospital is progressing in its proposed form and is fully supported by our clinicians. They told us so in their letters. They told us they have had positive engagement with the Our Hospital team. They told us this is the right to care for Islanders and they want us to get on with it. Those clinicians have not just been given their wish lists. They have been constructively challenged to refine the design, to make it more efficient without compromising patient safety or clinical outcomes, and as a result it has been refined. But if we significantly reduce those clinical services, that is where the cost is. The cost is not so much in gardens or atriums or car parks, but in clinical services. If there is significant reduction in that, it would undermine all the extensive work undertaken, hours and hours our clinicians have spent with members of the team planning this. In addition, our services would just not be appropriate for the Island. We would have a high risk of clinical disengagement from the project if this amendment goes through. It is suggested we would not proceed with the knowledge or education centre, or perhaps we would delay it, as if delaying is any saving. Surely Members want a knowledge centre. We have this at the moment. We have a good facility at the present. We recruit local people and we are able to train them and we retain staff because we can offer the professional development they need. Why would we delay or cease to provide that facility? Another reason for me, and this is why I am astonished that the Reform Party, particularly Deputy Southern who is regularly pressing me on recruitment and retention of our staff, wants to do away with the facility that trains them and keeps them here.

Deputy G.P. Southern:

That is not true. I have not said that, nor has any of my party members.

The Bailiff:

You have not spoken yet so you have more than ample opportunity to speak and if you wish a point of clarification then you can seek to make one if the Minister is prepared to give way at the end of the speech.

The Deputy of St. Ouen:

I will clarify. I will say his party is supporting an amendment that suggests we do not proceed with a centre that trains our local staff.

Deputy G.P. Southern:

That is simply not true.

The Bailiff:

Deputy, please do not interrupt. You may well very strongly feel that is not accurate but you have more than ample opportunity to correct the position in your speech.

The Deputy of St. Ouen:

I have also answered many questions from Members who are rightly anxious that the services we are decanting to Les Quennevais should be returned to Overdale. Here it seems to me that the Scrutiny Panel is suggesting our existing training facility in the general hospital is not proceeded with. Do we stop training? If we do not stop training, we have to provide for the delivery of that training somewhere that needs to be close to a hospital because those trainees have ward duties. This would totally demotivate our staff. Islanders deserve the best clinicians who are always developing, always learning and always improving. On the discussion about courtyards, gardens, atriums and other public areas, I do not want Our Hospital to look bland and monotonous. I do not want it to look like an institution. We say there is no health without mental health. The design brought forward creates a healing and nurturing environment. It supports quicker recoveries for patients. It supports more effective working for staff in a building they would love to work in and a building of some beauty, I trust, that we can be proud of as a caring community. There is a large body of research that demonstrates the design, construction and operation of buildings has a substantial impact on the health and wellbeing of its occupants. The evidence shows there is a clear difference between internal environments that you can say are not detrimental to health and environments that positively support and enhance health and wellbeing. Staff-related costs that are typically the largest part of operating costs, anything that can be brought about to help to make a workforce more healthy and happy will have significant impacts on an organisation's bottom line in terms of improving productivity, absenteeism, staff retention and recruiting those staff. So many things have been shown to impact health and wellbeing of a building. Important building design, construction and operational considerations are the indoor air quality and ventilation, the thermal comfort, temperature and humidity, visual comfort, daylighting and artificial lighting, noise and acoustics, safety and security. What is the interior layout? Is there an active and inclusive design? What is the look and feel? What are the connections to nature for staff, patients and all those visiting there? What is the access to amenity and outdoor spaces? Do we not know that buildings have a significant impact on health and wellbeing? As well as enhancing that, addressing all those aspects can also lead to wider sustainability benefits. For example, improving daylight can reduce energy consumption and carbon emissions from electric lighting, and providing green space can enhance biodiversity. There is so much research and evidence around this area, so let us not make excuses for good design, for gardens, for atriums, for wide public areas. Very few of Scrutiny's suggestions on how we might reach £550 million are credible. They ultimately increase cost or reduce the quality of care or disregard staff wellbeing. The project's costs consultants have studied these costs to ensure that we receive value for money. They have reported on it and are satisfied with them. I sit on that Political Oversight Group and I have seen robust and thorough process brought to this point [**Approbation**]. As our clinicians have told us and as our nurses have pleaded, and as the vast majority of Islanders urge us, let us get on with it. No delays please, no U-turns, please, I urge Members [**Approbation**].

4.1.6 Connétable J. Le Bailly of St. Mary:

What an honour it is to follow the Minister for Health and Social Services. He has my total support. As a newly elected Deputy in 2011, I was part of the class of 2011 who were privileged to do a tour

of the workings of our general hospital with the then hospital director, Mr. McLaughlin. We were shown the archive cellar with its thousands of files, that also creates a very time and labour-consuming process when required by a consultant. This system is still in use 10 years later. The boiler room contained 4 boilers, each the size of a family car, all obsolete. The hospital requires 2 boilers at all times in order to keep possible if one boiler has been stripped of parts in order to maintain it as a stand-by boiler. In order to keep the system working when servicing, parts were being sought in May at that time to keep things running. Again, this is 10 years ago. The drainage system cannot cope with the volume of foul water that a hospital produces. Drains and sewers that were installed in the mid-1800s have to take this, plus the new properties and extra flats and offices. Subsequently, unblocking drains is a 24/7 job. The hospital was not fit for purpose then. All this was 10 years ago and nothing has changed except greater demand and ongoing maintenance costs. A new hospital was needed then and we still do not have it. Every time an extension is made, a new electricity cable is required. Hospitals use a vast amount of electricity and the present hospital supply is like spaghetti. In 2011 the top road was being dug up to install a new sewer. This caused endless traffic problems. This installation ended at the previous Inn on the Park. A new electricity link response was also announced with the required substation very conveniently alongside Inn on the Park. The 2 most important infrastructure links were being close to the new hospital proposed on the People's Park. We all know what happened to that. The People's Park was and still is the best place for the new hospital but that is history and we have to move on A.S.A.P. (as soon as possible). There are still people who question the use of the Overdale site. The Overdale site is now the only feasible site given the People's Park has been rejected. The Overdale site can link up with the 3 most essential requirements: electricity, drainage and water. Warwick Farm and St. Saviour's Hospital keep being mentioned and both have the same problem: infrastructure. Electricity and drainage, or lack of it, is a requirement. It would be impossible to install these services to these sites without causing major disruption to our road system. All the services in the roads are on the left or right lane; this allows one lane to be used with a traffic light system. The roads to Warwick Farm and St. Saviour's Hospital are poor. The only place for digging is ...

The Bailiff:

Connétable, may I interrupt you, you are speaking about a large number of sites which are of course not before the Assembly. We are at the moment debating purely the amendment, not the overall debate, and I wonder if your remarks are designed to go to the question of the amendment or more broadly afield.

[12:30]

The Connétable of St. Mary:

They will do, Sir. I am getting to it now.

The Bailiff:

Marvellous.

The Connétable of St. Mary:

As I mentioned, roads to Warwick Farm and St. Saviour's Hospital are poor. The only place for digging is the centre of the road which effectively closes that road. This would cause total chaos and be prohibitively expensive. So in the circumstances Overdale is our best option regardless of the rising cost, which is to be expected when the project is 10 years late and on a different site due to the associated problems that started with a protest that led to the rejection of the previous site. We still have people who object to the hospital site at Overdale. Wherever the site is for the hospital there will be protests, but practical issues normally dictate the choice of site, which is why Overdale has been chosen. Hospitals are specialised buildings. They are designed and built by specialists. The 10-year procrastination of the project has undoubtedly led to increased costs. To put it simply, if you

want a sports car designed and built you do not go to a truck maker, and if you stagnate for 10 years technology will move on, so it will cost a lot more. We have excellent staff in our hospital doing the best that they can in an inferior building long past its purpose. It is time that they had the best facilities to do their work. Every person in this Island will use the hospital now and in the future. Future uses of the hospital should help bear those costs. There is no doubt that we need to build this hospital now. I will vote pour to secure the funding in order to put the people who need to use the hospital in a better place, but I will vote against this amendment which will only cause more problems and costs.

4.1.7 Deputy S.J. Pinel of St. Clement:

I am delighted to follow the last 2 speakers. I am very pleased to speak on this amendment and explain to Members why I feel it is misleading and in part unnecessary. Firstly I note that the panel's amendment is based on the views of 130 submissions by the public and a *Bailiwick Express* poll of just short of 800 members of the public. I am not sure that is representative of the population of the Island. These submissions represent less than 0.01 per cent of the adult population and the *Bailiwick Express* poll just about scrapes to 0.01 per cent of that same adult population. I would argue that these numbers are hardly representative of the people of Jersey. Just as importantly, the wording in the original proposition could achieve a similar result to this amendment. Please allow me to explain. In the original proposition the budget is capped at £804.5 million and the financing of the project is to be funded through borrowing up to a maximum of £756 million. Funding for the difference has already been provided from general revenues. It follows that if the final budget is lower than the capped figure then the maximum borrowing requirement will also reduce by a corresponding amount. I hope Members will allow me to give a quick example. For simplicity let us say that the final budgetary cost for our hospital is £654.5 million; this is £150 million lower than allowed for in the original proposition. As a result the maximum borrowing requirement would similarly reduce by £150 million. Hence, the original proposition does reduce borrowing in alignment with the budget in a similar way to the intentions of this amendment. But I know Members may now be doubting my logic in arguing that if the original proposition has the same effect we should allow the amendment, but there is one significant difference. This amendment sets an arbitrarily reduced and clearly unresearched budget cap of £550 million, which is determined by a few bullet points containing some suggestions for the project team to consider. I quote: "The panel is not specifying to this Assembly or to the Political Oversight Group and the project team exactly how this should be achieved or what should be removed from the current plans." Forgive me, but someone more cynical than I may interpret this as: "We think £550 million sounds like a more reasonable figure but we have no idea how this might be achieved." It has been explained on numerous occasions publicly that the design of this hospital has been led by clinicians, the very people who need to use a new hospital on a day-to-day basis. That clinician-led process alongside a very careful assessment by the project team and Political Oversight Group has led us to the proposed budget cap. It is not a figure that is arbitrarily plucked out of the air with little thought given to what might or might not be able to be included. If we truly want to deliver the hospital our people deserve, and a more efficient healthcare offering, then it is only correct to listen to these healthcare professionals and deliver the facilities they need within the boundaries of the budget that the Council of Ministers is proposing. I know my time to speak is limited but I do wish to address some other points raised in this amendment, particularly in relation to financial risk.

The Bailiff:

Well, Minister, there is no limit to your ability to speak and the adjournment can be proposed mid-speech if you want and you can continue after if that is what people want, or we can continue beyond 12.45 p.m. You should not consider your speech curtailed, I do not think.

Deputy S.J. Pinel:

Thank you, Sir. I do not like long speeches. The Future Hospital Review Panel suggests that investment performance may be lower than expected and there is a risk of a credit rating downgrade in the future. There is no evidence provided by the panel to back this up. Members will be assured that I have sought significant advice on the financial merits of the borrowing and the method of financing and repayment through the Strategic Reserve. This has included extensive modelling of different scenarios and outcomes that all lead the Council of Ministers to have a high degree of confidence in the financing objectives being met over the potential 40 year term. In a stress scenario with investment returns at 2 per cent per annum lower than expected, there is a 97.9 probability that the Strategic Reserve will be at a sufficient level to repay the borrowing. As Minister for Treasury and Resources I am delighted that our significant level of reserves is cited as a key rating strength by Standard and Poor's when considering the States of Jersey's credit worthiness. Given that focus on reserves, one could argue that a reduction in them is more likely to impact on our credit rating than an increase in borrowing. There is evidence from around the globe of countries that have maintained their reserves, increased their borrowing, and seen little or no impact on their credit rating. The key point is that the proposal of the Council of Ministers to borrow for the construction of the hospital has been well researched and is supported by key advisers such as the Fiscal Policy Panel and the independent Treasury Advisory Panel, the same Treasury Advisory Panel who recommended not using the Strategic Reserve at the start of the COVID pandemic when it had just suffered more than a 30 per cent downward correction, and how right they were. The Strategic Reserve has recovered those losses and now stands at over £1 billion. Maintaining the Strategic Reserve at current levels provides the greatest degree of flexibility for the Island in the future and will ensure that the borrowing costs for our hospital can be serviced for many years to come and the debt ultimately repaid without impact on Government's day-to-day finances. Just to conclude, I also reiterate the Chief Minister's point of clarification earlier that were this amendment to be accepted we would have to ask for an adjournment in order to amend the Public Finances Law as the Consolidated Fund cannot go into deficit. I cannot support the panel's amendment and I urge fellow Members to reject it with me.

The Bailiff:

Minister, do you give way for a point of clarification from Deputy Morel? Standing Orders say you do not have to give way; if you give way you are entitled to offer the point of clarification.

Deputy S.J. Pinel:

I do not think I need to, Sir, thank you.

The Bailiff:

Very well. I have 2 people listed to speak. I wonder if the adjournment should be proposed. It is proposed. The Assembly will stand adjourned until 2.15 p.m.

[12:41]

LUNCHEON ADJOURNMENT

[14:15]

The Bailiff:

We resume debate on the Review Panel's amendment to P.80 and next listed to speak I have Deputy Gardiner.

4.1.8 Deputy I. Gardiner:

Before I start this speech I think that most of the people know my position as a member of the Scrutiny Review Panel, and it is really important to emphasise that I personally strongly believe we need a new hospital. We have a site, we understand where we are going, and this debate is purely about

finances, establishing numbers. I ask Members to listen carefully, even most of the Members. I will struggle to include all reasons why I am taking the position that I am taking. There are many reasons and many numbers and I will do my best to be succinct as it involves a lot of numbers and days. I will not reference the incinerator but I hold it as a previous example of fiscal management and fully expect other Members to reference that. I would like to take Members through our publicly available facts and numbers used to justify this huge expense. I will have 3 chapters; I promise to be succinct. The first one, itemised cost of the outline business case following the presentation during the last 2 months and there are 3 examples that created my confusion. First, the size of the development. The outline business case proposed to develop a 67,000 square metre hospital, launched on 3rd August. Later in August the public hearing upheld that it will be 69,000 square metres but on 24th September we had a headline “Smarter and Smaller Hospital” in the media, stating a reduction from 73,000 to 69,000 with no reduction in cost. Confused? You should be. It seems everyone is in confusion over the size and scale of the proposed development. Today we heard that the mental health facility will cost £45 million but on the table that we have in front of us it is £12.5 million. It is important to emphasise I am not disputing the numbers, I am just stating the reasons for the numbers that I have and the confusion that not only me but other Members and the public have. Second, cost per square metre. We had £10,500 per square metre, £5,500 per square metre, £3,500 ... as we all heard yesterday we did not get any answers about which cost estimate we are using. Since Monday I have raised it twice - Members know this - and asked for clarification regarding the further numbers. £4,497 per square metre including preliminaries, costs and the risks. It does not include contingencies. The Deputy Chief Minister stated this number in the response to the Scrutiny Panel - it is appendix 1 - on 27th August. On 8th September, the Assistant Minister for Treasury and Resources told us that the cost per square metre is about £6,150 and again I asked what this included. I still did not have a breakdown. It is common sense if the £4,500, let us say, included fees, risk and contingencies, the £6,200 should include more. A quick calculation, the latest size which is 69,000 square metres for £6,200 per square metre works out under £425 million. That brings us to our standing business case and the cost. We are going to the cost. It was already mentioned that the main building and associated costs was 204 and will come to £311 million with energy centre, mental health, knowledge centre, car park, external work, demolition, highways: together £311 million. How did we manage to get £500 million of associated costs? The associated costs are estimated higher, as Deputy Ward said in his speech, than the building of the hospital. We asked several times for a breakdown of the £39 million of the Government of Jersey costs and preliminaries. I know that Deputy Ward asked about the £39 million of the Government of Jersey costs and if we were double accounting. When I think about the £39 million for the government employees I am asking are we not double accounting for designers and all professionals that are employed through the contractor? I do not know. Maybe it is justified. The only thing that I, as the Chair of the Public Accounts Committee, would expect to see is itemised costs and not just the final number. I understand and I do have sympathy that the project is under development and at the same time we have been asked today to sign off £804 million without any clear understanding of how this figure has been achieved. I propose the more extreme cost of the hospital and the more stringent calculation should be in place and we should have more scrutiny. I had more scrutiny when I asked for £100,000 on the youth service than for £804 million for the hospital. Chapter 2, how will our healthcare system function? I am not sure if Members have had a chance to read the latest Comptroller and Auditor General’s report published on 13th September, *The Governance Arrangements for Health and Social Care*, the follow-up report. She clearly stated the governance arrangements for the Jersey Care Model and the Our Hospital Project sit outside of the health and care services business as usual governance arrangement and a separate governance arrangement has been established for the Jersey Care Model and the Our Hospital Project. What does it mean in practice? First, the outline business case does not demonstrate alignment between the Our Hospital Project and key strategic programmes like the Jersey Care Model. It gives the impression that the proposal for the new hospital has been developed in isolation from the broader strategic context. The panel adviser stated: “It is acknowledged that the

Jersey Care Model was developed as a separate programme but we would expect the O.B.C. (outline business case) to provide greater detail on the clinical strategy for the new hospital, which is derived from the Jersey Care Model, and to demonstrate how Our Hospital Project will contribute to the delivery of the Jersey Care Model. Second, I hope it is clear for all Members that we will need additional funds for the infrastructure for the Jersey Care Model. On 28th June during the public hearing of the Public Accounts Committee with the Director-General for Health and Social Services I personally asked: “As we are developing the Jersey Care Model, have you have time to submit your requirements for the property needs, for the estate that we will require for the next 5, 10 years and Jersey Care Model? If not, when will the requirements be submitted to the Corporate Asset Management Board, which should decide this?” The answer was that it has not been identified at this point. I am talking about June. The latest example that came to our attention following the panel’s visit to the recently refurbished child development and therapy centre currently housed in the Overdale site, this service will move to Les Quennevais but yet no clear plans for its future accommodation or when this site will be vacated. We have the new building that will be allocated, which as I understand needs to be allocated to build the new hospital but we do not have a plan going forward. It will cost money. The professional team was very clear that they need to deliver from the central location. It will not work from satellites as it will cause a double up; they need a special sensor room, a gym. There are special facilities that this service requires. I am concerned that there is not enough co-operation and we will need the new infrastructure for delivering the Jersey Care Model. We will need to find other places and invest more money into this. I will not mention the pain clinic and I will not mention several other services that were not considered. This brings me to the last chapter of my speech, my closing remarks. Size and accommodation. Size for a good standard of quality. Five hundred beds is the size that we have and we have only 300. Our advisers have been quite clear that the outline business case provided is not robust and justification for the scale or scope of the build proposed has not been provided. Is it down to single occupancy? 75 per cent single occupancy is a great goal and definitely, as the Minister for Health and Social Services explained, it is important. I appreciate that we need privacy but there are several reasons why we should be conscious of this design and I think there is a big gap between single occupancy and 6-bed wards that we have now. I am sure that we can look at something in the middle or maybe some other percentage. The single room means you need more staff. It is a steep change, an increase from the existing workforce. The O.B.C. does not set out the workforce plans. We have been told that the current staffing will be enough. We heard just yesterday that we are urgently recruiting staff now. We all know that we do not have enough staff now. Do we have a debate about the wages? We need to support our health workers, it not just the hospital, it is also the day-to-day living and the bills that they need to pay. How will we get enough staff to move to 75 per cent single rooms? It has not been stated in the outline business case and it has not been calculated. We risk a patient being neglected in a single room and healthcare standards falling in our shiny new building. Members, ask yourself, if you have to choose a private room or to have cataract operation within weeks and not 16 months, what would you prefer? I ask myself and I know exactly what I would prefer. We have waitlists in Jersey right now and it is caused partially by our staffing problems. 75 per cent of single rooms will making staffing problems worse. If we do not include this in the budget - the increase in staff - we will never have a better health service despite having a bigger and better hospital. The balance should be struck and we all know that our financial situation with 1.8 billion projected debt, as it stands now, will restrain our future spending. This brings us to the funding, the final points. The scale of the project is higher than our annual personal income tax, corporate tax and G.S.T. (goods and services tax) put together. In the event of the non-delivery the investment on return, increasing project costs, tax and spend decisions for the public service on the Island will be impacted.

[14:30]

Our choices will be very limited. Global uncertainty. The Government is relying on global stability and financial services and markets which does not exist. The global uncertainty is increasing and it

is apparent for everyone. Remember, bond finance is not free money, irrespective of how cheap the money is. The annual payment back will be 19 million, a substantial amount. We must ensure that the profitability is considered at every level of the project. There are no definite numbers. We do not have stable projected costs, even over the last couple of months. I have personally been criticised for asking repeatedly for clarity and consistency. I do have sympathy that it is still an ongoing development and a very complex project. At the same time I have daily emails asking me the same questions as I am asking here. It is not just I am confused, the public is as well. I am really worried that we will go over budget on the structure and will have insufficient funds for all the stuff that I mentioned. When the Chief Minister published the report, R.54/2019, outlining his next steps he committed to a financial planning phase in a 20-month period to take the project to the full business case by February 2021. I understand with COVID under way it may be not February 2021 but the full business case which projected costs of £7.5 million, 2½ years later show projected costs now of approximately £47 million, forecast £59.5 million in October and £70 million spend by November. With this track record Members need to ask themselves: are you ready to give the green light for £804 million without control from the States Assembly going forward? The potential for this Assembly to lose control of the costs due to the nature of this project is substantial and we might face ... I hope we will not but it is still in the proposition that after spending £804 million they will come again and say we need an extra 550. The panel is not suggesting cutting the range of services. We suggested the Council of Ministers revisit its business case and produce a solution fit for purpose that answers the Jersey needs and has an appropriate budget. The Minister for Treasury and Resources suggested that the panel did not understand how to reduce. We did, we did have so many options but it was taking a strategic decision not to tell the Government exactly what the numbers were because whatever our suggestions were ... they were so different but all of them came to the same conclusion that we can do it within the budget of 550, but we did not want to restrict the Government choice to make their own decision of how to manage it. If we need to clarify, we will do it in the future but I think it is fair to leave it more open and flexible. We all have letters from clinicians, from the nurses, there were open letters in the media, we had submissions to the panel which supported the panel. We all spent thousands for our consultants, but consultants are here to consult. Our consultant has told us to reject the project. We said we can see where there are difficulties, we acknowledge there are lots of problems but we want to see this coming forward. This is the reason that the panel presented the restriction to the budget today. Islanders want their political leaders to focus clearly on the level of borrowing and expenditure involved in the project. In the current financial circumstances we need to reduce exposure on all future financial risk and an affordable and appropriate figure for the Jersey new hospital is £550 million currently. Come back and prove differently, happy. We are going to make a decision and we need to make the right decision. I said previously, let us get on with it at the right cost. Thank you.

4.1.9 Deputy T. Pointon of St. John:

I have recently been working on a presentation for the Mind Jersey conference that is coming up this Friday. I began researching the history of provision for the mentally ill on the Island over the last couple of centuries. The current provisioning is, of course, a vast improvement in relation to that available in, say, the early 19th century. There are, however, some similarities between then and now. In 1847 the Westminster Government had to compel the States of Jersey to drag the then mental health offer, a cruel offer, into the modern world. Plans were drawn for a new hospital, or at that time known as a lunatic asylum as the provision was known in those days. Just imagine the excitement generated in the Island knowing there was about to be a new asylum. Well, do not hold your breath. The foundation stone for the asylum was not laid until July 1865, that is 18 years after the Westminster intervention. The States had been extremely reluctant to spend money on the proposed purpose-built asylum. Such was the reluctance that in 1859 a proposal was lodged in the States to delay building altogether. It was only because the then Lieutenant Governor, Sir Robert Percy Douglas, took the rare decision to veto the proposition, thus blocking the move and allowing

the building to go ahead. The first 12 patients were moved from the general hospital on 11th July, 1868, 21 years - yes, 21 years - after the Westminster Government had intervened to compel the States to act. Are we seeing history repeating itself, given that mental health services are currently dependent on a new hospital build to provide up-to-date inpatient facilities that are fit for purpose in the 22nd century? The need for a new hospital was described in P.82/2012, a proposition that was enthusiastically endorsed by the States. So why have we wasted 10 years so far? If this amendment is allowed and the can is kicked down the road, it is very likely that a significant further delay to the project will be the effect. Urgently needed mental health accommodation will be held up again or, worse still, will not be developed at all. The need to provide new clinical facilities for all specialities currently accommodated within the general hospital is well established and has been for a considerable time. We have all received a letter from professionals allied to medicine who are having to endure the difficulties of delivering care in the current environment. The Minister for Health and Social Services alluded to the letter in his speech. I personally shared the experiences of these healthcare professionals given that the last 12 years of my professional life were spent delivering nursing care at the bedside in the very difficult clinical environment that is the current general hospital. I will let the clinicians' concerns and their plea to get on with it enter the record. We should not accept this amendment and repeat the gross error seen in the 19th century. The letter reads as follows, and I will read it in full: "Dear all, our respective professions are incredibly rewarding and we come to work every day to provide the best possible care for our Islanders. However, in the current environment this is an ever increasing challenge. We understand the case for a new hospital is well made, which is hugely positive as it is needed to deliver safe, modern healthcare for future generations of the Island. When we heard that Overdale had been agreed as the site, the news was met with great relief that work could finally begin and a turnkey building fit for purpose was on the horizon and in sight for all of us. We can accept working in this environment for another 5 years in the knowledge that the new build has begun, but we want to be clear that it is increasingly difficult. Every single day, every single shift we work around the challenges of the current ageing buildings, both on the hospital site and St. Saviour site, to deliver the best care that we can. The reality is the buildings need constant attention, care is delivered in a suboptimal environment and we simply do not have enough space full stop. We have to empty bathrooms before we offer patients their use as they are used for storage of essential equipment. We do not have suitable space to break bad news in private. The bays are cramped and patients are so close together they can hear everything happening to others around them. There is no space for staff to rest during their shift and teaching space for staff in the clinical environment is non-existent. We have such a limit on single rooms that we have a daily juggle and constantly have to move patients in order to manage and prioritise the increasingly competing number of patients who need a room. These are decisions we should not have to constantly be taking. Our priority should be focused on delivery of care and hands on with our patients, not hands on moving beds and equipment just so that we can deliver the most basic fundamentals of care. Along with our consultant colleagues, we have been involved in the design of the new hospital. This has been really exciting work and finally brings together physical and mental health on one site and affords patients and our staff a building that is fit for purpose, that demonstrates investment and the value we all place on health. We appeal to you as our States Members that you support the plans for the hospital build and approve the funding proposals so that work can begin without any further delay and we can finally look forward to caring for our Islanders in an environment that supports and promotes the delivery of good healthcare." This letter was signed by 83 healthcare professionals allied to medicine and I list that list of professionals. There were nurses, physiotherapists, psychologists, occupational therapists, podiatrists, midwives, physical therapists, community mental health practitioners, alcohol service practitioners, substance misuse practitioners and learning disability practitioners. With that logged into *Hansard* I finish my presentation. Thank you. [Approbation]

4.1.10 Connétable R.A. Buchanan of St. Ouen:

I would like to start with the panel's opening comment and I quote: "The message the panel has received is that Jersey needs a good hospital which caters for the needs of the community." Indeed as the Minister for Health and Social Services, the Deputy of St. Ouen, and the Deputy of St. John have outlined, this is something we all agree on. The proposition suggests that there is a strong backdrop of public opinion that hospital can be built for less than £804 million. However, ever since the question of a new hospital has been raised we have seen various pressure groups push a wide variety of views about the sites, the costs and, indeed, what facilities should be offered. Only yesterday we saw a petition launched that wants the site of our new hospital to be rated yet again. We have seen both hospital staff and clinicians come out strongly in support of the current plans. In my view they are in a very strong position to express that view, as Deputy Pointon has highlighted most eloquently, not least because the clinicians were involved in the design and the content of the hospital. I would have to suggest, at the very least, the picture is mixed and perhaps not as clear as the panel would like to suggest. I have a few points I wish to make in relation to the amendment. As we know, the current projected cost of the hospital is £604 million, the balance being made up largely of contingency. The panel's suggested budget is £550 million, a shortfall of some £50 million. Some of the ways suggested by the amendment say how this could be achieved.

[14:45]

It is suggested that ward sizes ... a reduction in ward sizes, with the suggestion that no private wards should be provided as the benefit is anecdotal. However, my understanding is that private patients are self-financing, they pay all their costs as well as making a substantial contribution to overall hospital running costs. Indeed that view has been endorsed by the Minister for Health and Social Services. I suggest as a consequence of having excellent private facilities we are also able to attract some of the best medical consultants to the Island, partly based on their ability to undertake private practice alongside their general practice. Given that private medical insurance is a common benefit in the finance industry, our major industry, Jersey is seen as a good location for private practice with the added benefit that these quality consultants bring to our public practice. Do we not value the medical excellence these consultants bring to the Island? Furthermore, we have seen the need for more space in the last pandemic. Did we learn nothing from that experience? In that respect, did I miss something? Is it not the intention to centralise all those services located outside of current general hospital, including those at Overdale, into the new hospital, which in my view would likely account for the 30,000 square foot increase in the current footprint of the general hospital of about 40,000. That again has been confirmed by the Minister for Health and Social Services in his speech. Another suggestion was to reduce the car park space. A great suggestion for a hospital not within reasonable walking distance of any other multistorey or, wait, you could cycle and walk. Even better if you were accompanying a sick elderly relative or not feeling so good yourself. An effective redesign is suggested, reducing the size of the building and "a reduction in beautification" which could be read as making it smaller, starker and ugly, a great idea if you consider its prominent location. In my view, the feel-good factor of going into a building that is pleasant to use should not be undervalued, especially at a time when most visitors are not feeling at their best mentally. As we know, mental health is a very important factor in the quick recovery of many patients. The revised suggested maximum spend to remove any current contingencies, currently estimated at 33 per cent of the build cost, writing these contingencies back into the Scrutiny proposal as surely contingencies represent prudent project management, would suggest a baseline build cost in their proposition of some £330 million, roughly half of what it is being proposed at the moment. That, to me, does not seem to be enough. The panel, in their own presentation are suggesting a build cost of £412 million. Are they suggesting tighter contingencies? If so, is that prudent? Furthermore and interestingly, Scrutiny's own experts, Currie & Brown, and I quote them directly, said at a recent presentation by the panel: "The build costs are appropriate for the site size." They did question a need for the site size proposed. However, I go back to my original point about this being more than a direct replacement for the current general hospital. I would suggest that if you are satisfied the size is

correct then it would seem that the costs are also in proportion. I would like to address a few comments about the financing arrangements. Firstly, risk and the potential decline in our invested reserves. Risk and reward are bedfellows. You cannot have one without the other. The key is how you deal with risk. Treasury have demonstrated sound management of our investment portfolios for some time by sensible diversification of markets and asset types, the classic investment risk mitigation tools. Furthermore, our portfolio is managed by top fund managers, selected using recognised processes, and the performance is measured against industry benchmarks. The amendment highlights an uncertain future, but market volatility is not new and uncertainty also generates opportunity in investment terms. Our portfolio survived COVID-19 markets through good stewardship and I am sure this will continue. Secondly, our credit rating. The amendment suggesting borrowing against our reserves may impact our credit rating by a notch and impact future borrowing opportunities and the interest costs thereon. This view has not been tested with credit rating agencies, as I would have expected and, in my view, should be interpreted with a degree of caution because of this. Finally, timing. Interest rates are at an all time, historic low. With the prospect of renewed growth and rising equity markets and the possibility of higher inflation, as the economy expands post-pandemic, this scenario is unlikely to last. So the opportunity to leverage investment growth rates against those lowest of interest rates will not last for ever and should be grasped now. I would also like to address a comment about the U.K. Chancellor's remarks. The U.K.'s borrowing in relation to its G.D.P. and national wealth is substantially different to ours. I would have to suggest that those comments bear no relationship to Jersey, because we have very little borrowing. Indeed, even with this, our borrowing would be nowhere near the size of the U.K.'s borrowing. In my view, the acceptance of this amendment will result in a substantially underfunded project, which would also result in a major redesign to accommodate the smaller budget and the greatly extended timescale to completion of the project. Given the substantial cost of keeping the current hospital going, any gains made financially could well be severely eroded by any such delay, and indeed the Minister for Health and Social Services referred to this in his speech. I cannot support this amendment because of this. I urge Members to think carefully on the impact on our future healthcare the non-delivery of new hospital will have, not just on us, but on our children and their children. We have continually underinvested in our health estate, dithered over a replacement hospital. Now is the time to show courage and deliver the hospital and healthcare needs this Island needs.

4.1.11 Deputy R. Labey of St. Helier:

I agree with my Constable this morning that Senator Moore set out her stall with great clarity this morning. I do feel, however, with respect, that she dodged one inconvenient truth, which I will come to later. Also this one debate, an important one, 5 months prior to the debate to remove Gloucester Street as the preferred site for the new hospital. I brought another proposition to the Assembly in September 2018 to change the terms of reference for the independent U.K. planning inspector and his impending public inquiry, so as to allow him to recognise the existence of alternative sites, something which the terms of reference expressly forbade. Both debates were won decisively, 30-plus in favour and on both occasions only 7 against. They were a different 7 each time, although Senator Moore was consistent in her opposition. The motivation for both of these propositions ... and I knew absolutely zero about building hospitals but felt I had to do it, because at that time in Jersey you could not move for clinicians, nurses and health workers voicing their dissatisfaction with the Gloucester Street plans, complaining of not being consulted, grave concerns about the inadequacy of what was being proposed. The Assembly listened. Thanks to its decisiveness, we were able to wipe the slate clean and begin again with a new team, whose planning would this time be clinically led. Here we are on the cusp of delivering exactly what they want this time, but with a proposition before us that will, at the very least, as the Minister for Health and Social Services said this morning, delay the project by 18 months to 2 years. We know that for some supporters of this amendment a flame still burns, that hope still exists, of a return to Gloucester Street. This results in the prospect of uncertainty and delay. That is what this amendment will bring; uncertainty and delay that will be

damaging and soul-destroying. If any Member believes that the public of this Island are looking to the Assembly today to provide uncertainty and delay on the new hospital they are severely misguided. Uncertainty and delay will hinder my efforts to have released more Government-owned land for housing and housing of key workers. **[Approbation]** I do not want to have to wait another 2 years for Les Quennevais and other sites. That is if we can attract key workers with the prospect of extending the life of our moribund old hospital for yet another 2 years. I like the Constable of St. John very much, he is not angry all of the time, but we can detect in this Chamber from him almost a lifetime of anger and frustration at observing the workings of the Assembly. I cannot help feeling this morning that he is promoting going back to the bad old days. I ask him to reflect on this: what does he think any clinician, nurse, hospital worker will feel listening to his speech this morning if not anger and frustration at the prospect of more uncertainty and delay with the hospital. **[Approbation]** I cannot help feeling Reform Jersey have found themselves on the wrong side of this argument, even if it means voting with the Government on this occasion. I hope they will keep their minds open. It is okay to change your mind. That is what debates in this Assembly are all about. I say to them this: if you will not listen to the clinicians, listen to the nurses, working men and women. **[Approbation]** With its backing of my propositions earlier in this term, the Assembly set the hospital on a new course, a new clinically-led course. I echo the Minister for Health and Social Services in saying: “No delay, no U-turns, let us get on and get this hospital built.” **[Approbation]**

The Bailiff:

Deputy, will you give way for a point of clarification from Deputy Tadier?

Deputy R. Labey:

Sir, I have finished. I have said all I have to say.

4.1.12 Deputy J.A. Martin:

It does seem to be one of those days that you think: “I have definitely been here before,” and I have definitely been here before. In 2008 to 2014 I was the Assistant Minister for Health and Social Services. Within the first year of that, we were told we would definitely need a new hospital. We are now October 2021 and still nothing. It was in a bad old state then, a bit of patchwork, make do, amend, but it is a hospital. I wanted to start as well on Senator Moore’s opening speech about Scrutiny being here to hold the Government to account and to provide evidence as why this will not work, et cetera. Just bear with me a minute while I read out their call for evidence: “The funding proposition was lodged on 3rd August 2021 and will be debated on 5th October 2021 and the panel would like to receive thoughts on the Government’s outlined business case and proposed funding for the new hospital. The panel would particularly like to receive views on whether the proposed budget of £804.5 million is appropriate for Jersey and this project, on whether £756 million of that budget should be borrowed using public bonds, on whether the borrowing on this scale should be used to finance the new hospital, on whether the investment return to the Strategic Reserve should be used to pay debt from cost, management and administrative costs, on whether the proposition adequately addresses the economic risk or benefits, on whether the conclusions on the outlined business case are reasonable, on whether the outlined business case provides sufficient evidence to support the scale proposed projected, and on whether it is sensible to use the Strategic Reserve Fund to manage the debt of our hospital.” There are some newsy letters that have come back. Scrutiny is based on evidence. There are opinions. There are some lovely letters. There are questions asking the Scrutiny Panel more questions. Flicking through and reading some, there is no evidence. What do you expect? I am surprised they only got 130 letters. Everyone has an opinion and a thought on it. They received 130 views and thoughts with no evidence. Deputy Gardiner said: “We have evidence of support.” No, they have views from the public. It is like saying: “Do you really want to pay all your tax this year? Do you want to pay half? Give us some views and thoughts on that.” It is not evidence. It is really not evidence. We did have the Bailiwick poll. We do not know how scientific that was. It

might have been a Love Island poll for all I know; it had that much science in it. It was very easy to fill in, because it was a poll and it was digital.

[15:00]

I went to the hearing that the Senator had on Friday. She had all her consultants there. It was hard and I do not blame the Senator for anything. We did not have the report then, but I could hear questions being asked. Deputy Ward was trying to ask about this figure on this side not adding up to this figure. Well, that figure is this and that. I think I know what he is getting at, so I said to the consultant: "I think what the Deputy is asking and what I would like to know is: is there anything wrong with the figure of £804 million?" The Senator this morning said herself: "There is nothing wrong with the figure of £804 million. It makes the case." Then he comes back to me and he said: "But we do not think you should have a hospital of that size." These are outside, external consultants who have come to tell us: "We do not think that you should have a hospital of that size and you should pay less for it." This is where the missing part is. Deputy Ward will not have it. He has told me I must listen to him. So he must listen to me. The hospital size is going to cost the £804 million and they want to take a third off of it. Where does that third come off? It will have to go back to the drawing board. It will have to start again. **[Approbation]** If Deputy Ward says the Government is putting the gun to his head, Scrutiny are putting the gun to the Government's head. It has been going on for months now with the consultants sitting down and clinicians seeing that they are being listened to. Not like the last one that Deputy Labey had to rescind because they had not been listened to. They have been listened to. Who do I want to listen to? Two sets of consultants who are advising Scrutiny. One is building boxes and the other one is a financial adviser. Or do I want to listen to my clinicians and nurses in that hospital who know what is coming down the line? Most of them are anoraks. They want to know what the best medical procedures are being done over there in America, in China and they want to know that they can do it here and they want to know they can have the equipment to do it here. Do I want to listen to our clinicians and nurses or somebody who says: "Well, your figures are okay, but we just think your hospital is too big."? No, I do not want to listen to them. That is what they are doing. They then say: "Take £250 million off and you will get the same hospital." They will have to rethink again. The Minister for Health and Social Services this morning said they are not rethinking again. What do you want to take out? We want the mental health facility. We want all the new things. We want this hospital to last for years and years and years, to be future-proof. The people who know what needs to go in, what is the best design-wise, that is better going there, because it might be pathology and it might be something else, but it fits there. They are the ones who are telling us, not somebody who said: "Yes, but if a hospital was built like this in so and so it would not be this big." The Minister for Health and Social Services said to them on Friday: "You do know this is Jersey?" We do not have the luxury of getting in an ambulance and taking that sick child over to the next hospital 100 miles up the road. We do not have that luxury. This hospital has been stuck together, it has been put together, it has been held up, and it is rotten. The absolute thing they are hanging on to is that they get their new hospital. Deputy Gardiner said the retention of staff is hard. If this goes south today, it will be even harder, absolutely. It is hard across of the whole of the U.K. **[Approbation]** We went to offer this as a place where they will come and work. Infection control, you have the best of this. As we have seen on Facebook: "I do not want the best. I just want a hospital." No, I want the best for the people here and so do the clinicians. **[Approbation]** I do not want a half-hearted attempt. Somebody said a cottage hospital yesterday. The accusations; these people are out there, they have all been fired up by the Friends of the Hospital. Well, with friends like that ... **[Approbation]** There are a few ex-States Members, there are a few putting out their stalls: "I am coming in next year, Deputy Martin. I will sort you out, sort you out." Yes, well sort that out first, will you? Leave me alone and do not wind people up. Fifty people becomes 150 people in the rain. I have respect, but they are not 110,000, which is the population. What about the silent residents? All our residents are silent except these same people who keep turning up. They are there Saturday, then they are there again. They are on Facebook. On

Facebook a certain person said half of the consultants do not work here anymore, blah, blah. They are all locums; they have no future in Jersey; they will not pay tax; they will not pay for this. Some terrible, terrible things have been said. This is a wrecking amendment, because we cannot get all that has been worked on into a smaller box. As I say, the consultant knew about boxes. He told me on Friday that our box was too big and he wanted to see it smaller. That is when I said: "Well, if we make it smaller, who are we going to go back to?" Shall we ask the Minister for Health and Social Services: "Shall we take out mental health or shall we take out something else? What shall we take out? Shall we make a smaller maternity unit? We are having fewer babies." We would not do any of it. We do not have another hospital. It will all be in there. Honestly, we have heard some speeches today that they think literally: "The Government have not done this. They have not got that." The people working, our consultants and the people who are putting the business case together, who are working with the clinicians, have sat down and listened. As the Minister for Health and Social Services said, they have literally stress tested and said: "You cannot have everything you want, but let us get this right and let us get on with it." We will really have trouble, as the Minister for Health and Social Services said, we cannot just go away and say we will fit this in a different sized box and we will carry on doing what we can. It is a third of a size smaller than was planned. It is £250 million they want us to lop off. We will not get the hospital we want. As I say, there are more people out there, hundreds and hundreds and hundreds of people out there who want this hospital. It has been planned for 10 years. It really, really needs to be done. I do not want to have a go at Reform and I am not going to have a go at Reform, but **[Laughter]** ... no, I was going to be nice. Sometimes, yes, it is to kick the Government, but I do not think this time it is. You have to think about the people the party represents. Deputy Ward said: "We want free school meals for ... we want free buses for ..." Well, what about the healthcare that you want for these children, that you want for them? Their families do not have private insurance. They are not going off to Bupa hospitals across the road. They are stuck here in this hospital. If this hospital is not the best hospital they will be the ones that suffer and I just do not think Reform want that. They may have been talking to too many other people along the back, the reformer, who has a very funny allegiance with the Minister. He is an assistant. Anyway, because this 9 per cent was mooted on Friday when Deputy Ward was there and it was said today by Deputy Ward, but the figure came out of the mouth of Deputy Morel. Sometimes it does affect you who you sit next to. It really does. Poor Deputy of St. John, that is why he is not here today. **[Laughter]** I cannot emphasise enough that after 10 years we had the 2 sites. That was seen off. We were going to have People's Park. We were going to go back to the thing. Now, everyone, the clinicians, the nurses ... that broke my heart, the nurses' letter. I will not go on about it, Deputy of St. John read it out. However, these people do not make it up. These are the everyday working people doing the 12-hour shifts. I was in A. and E. (accident and emergency) the other weekend and they are so tired. There was one sitting and eating a sandwich on a wheelchair; just nothing for the staff. They cannot wait another ... because it will go back to the drawing board. What can you put in this? Make it smaller? There will be arguments. Oh, just give up. Even worse than that, people who know far better than me, say the contractor will probably just walk away. So you have to go right back to the beginning. What does that do? The first thing people want to know is that if they are sick there is someone to look after them and it is going to be somewhere nice. We can do it. We can do it. We have been planning it. If it does not happen today, if the amendment wins and it goes away, it will come back again in 4 years' time and guess what? It will be dearer, it will be more money. I will leave it there. I really, really do ask ... it would not hurt Reform. They do support these people. They are the party for these people who do not have any other choice. You might have the top job in finance, but what about the receptionist? You have a medical package, your family has a medical package, does not matter to you; you can visit a nice private hospital in Surrey or something for a weekend. I will leave it there. But, please, please, the evidence has not materialised. Those letters are literally what the Scrutiny Panel asked for, some thoughts and views. Thoughts and views? Not from one person who has ever built a hospital or managed an £800 million budget. Well, you can imagine what those thoughts and views were. As I say, you want to read some of them. They

are very nice letters, meaning well. I will leave it there. There is no evidence. They have just picked a figure out of the air. There has been a lot of shouting about. It is all the same people, this rent-a-crowd of friends of the hospital. Thank you. **[Approbation]**

4.1.13 Connétable R. Vibert of St. Peter:

I do not think there has ever been an amendment or proposition that I have had more difficulty in deciding how I should vote. There may be others who are in a similar position. However, I decided to listen to the debate and ultimately I decided to not support the amendment. My undecidedness can be marked by the fact that during the last week I have written speeches both supporting and not supporting the amendment. However, I do not need any of those now because I believe everything that can be said has been said. I will, however, just mention some of the concerns I had that would have led me to support the proposition. There are financial concerns regarding low interest rates and whether a low interest rate is really a reason for borrowing the maximum amount that we can. I was not comfortable with that. While the investments that we have may perform better than the rate upon the loan, there are times when we will not be able to guarantee that. We did not know, for instance, that COVID-19 would come and affect the financial markets. From time to time we experience financial crashes. All those should be factored into such decisions. However, my main concern with borrowing £800 million is the likely impact on our credit rating. In effect, we will be borrowing 80 per cent of the value of our reserves. I cannot believe that that will not have some effect, unless we mitigate that in some way.

[15:15]

The effect on the finance industry, which currently is faring well and that is in large part due to the hard work of both Government and the private sector, has been to develop and promote the industry in a reasonable fashion. However, we see head winds from international regulations post-Brexit and questions over our credit rating will raise concerns with those looking at the Island as a location for provision of financial services. I would ask the Minister for Treasury and Resources to ensure that they take steps to minimise the impact on our credit rating and take the appropriate advice. That said, my ultimate decision is not to support the proposition. It might be prudent to initially borrow less, but with tight control on our additional expenditure we can deliver within budget. We can be financially responsible and prudent and deliver the hospital that both the public and staff deserve.

4.1.14 Senator T.A. Vallois:

Deputy Martin will probably be happy to hear that I have significantly reduced my speech because many Members have made comments that were similar to what I was going to make. I note that Senator Farnham and Senator Le Fondré both have not contributed as of yet, so have I have some questions within my speech that I hope they will be able to answer and answer clearly. One of the concerns that I have, and I am going to open up my speech by referencing the Ministers actual proposition in the report on page 11, where it refers to business case are a recognised way to provide information to help inform decisions on the project. They provide a way of considering if the project is deliverable, provides safe money, achieves objectives and delivers benefits and social value. I have read through the whole proposition and report, the ABC, the Scrutiny report and not just the thoughts of those who took the time to contribute to the Scrutiny review but the advisers who do know what they are doing. I looked at their report as well. On that basis, it does concern me when I look on page 10 of the Currie & Brown report that refers to the lack of detail in the strategic case. I would like to ask, where is the critical strategy that demands capacity modelling, the digital strategy, the workforce strategy, the estate strategy for health and investment in the estate. **[Approbation]** They refer to the business as usual report, which refers to net value to society, which surely comes in the recognisable objective of this proposition of having a business case that informs decision-making. There is also mention in the report to the proposition, the main proposition, about best practice and recognising that this was not considered around the baseline comparator. But then if we refer

specifically to the Currie & Brown report, they state: “The critical success factors for this project do not cover value for money, supplied capacity and capability of potential achievability.” To understand that if it is the case that the Council of Ministers, the Our Hospital Project claim that a business case is to inform decision-making, why is it that particular areas have not been completed or considered? Then I got on to factoring in the importance of outcomes-based accountability and how we ensure when we are putting the project together that we can measure it through from the baseline to outputs. When I looked at this amendment, and I heard what the Minister for Treasury and Resources said in her speech earlier, I looked at the budget estimates that are within the reports of the main proposition and how they have changed P.123/2020 to what is now the outline business case. I have referred to the outline business case because when we talk about risks and managing risks, especially with this type of thing ... and which I have to applaud the hospital project on their ability to drop the optimism bias from £100 million to £38 million by producing the outline business case. But the full business case will not be completed until May 2022, which would have to further identify and ensure that we are managing those risks appropriately. Then I asked myself: what do I do then in terms of borrowing and do I believe that £800 million for borrowing and do I feel that the information provided in the outline business case is sufficient for making such a decision? I do not feel like when the question is being asked that clarity of answers have been given in a variety of different examples, and I will use the proposition for access points, where we agreed it on the basis of understanding that there was a very close connection between the 2 options. We are asking about the money and yet we are going down a route that will provide more expense. There have been questions raised time and time again that people feel they have not had the answers to or the diagrams or the information around what that may or may not look like. This goes back to the openness and transparency and the importance of people understanding how they are making their decisions. When this type of proposition comes to us, this is the biggest borrowing that the States Assembly have ever been asked to borrow and it is absolutely for the right reasons. We do need a new hospital, I totally agree with that and I am not going to make any arguments about whether it is the right site, whatever that might be. We are talking about the finances here and there is an element within this finance that talks about client contingency and I would really appreciate it if there was an example that could be given for an initiative that might happen within the project that would require the need for that client contingency, because it is not clear when I look at the information that has been provided. I think that is really important because this is a £73 million contingency. Going back to the Minister for Treasury’s argument and I think back to the amount of times we have changed the rules or the requirements around the Strategic Reserve, starting back in 2013 where we set a capped requirement in the Strategic Reserve to ensure that we kept a form of rainy-day fund to cover those extreme circumstances. Then the net value after that would have been used to assist with the hospital build and I think there was a number of other things. Today the capital holding in the Strategic Reserve is £765 million as of end of 2020. The actual Strategic Reserve value at the end of 2020 is £968 million and we are being told that this amendment is basically going to delay everything, going to stop everything, going to have to redo and relook at all the different bits and pieces. My argument is going to be, what if this amendment was approved and putting your feet to the fire to say if you can prove to us by doing a proper full business case and provide the actual information that is needed to make the appropriate decisions, then we could discuss this again when we discuss the Government Plan, where we discuss the likes of changing the public finances law or changing the budget or changing the income and expenditure and also the borrowing amounts that are required for the States of Jersey or should I say the Government of Jersey to function? I do not believe the argument that this is going to delay everything is a good enough one. I have seen historically the ways that Ministers for Treasury and Resources have managed to be flexible and do things that enable a democratic process to be listened to and the people to be heard in terms of accountability. This is a large, large project, I absolutely want to get on with it. I really hope that I can get some of the questions that I have asked answered. I get the points that the Council of Ministers made because I have heard it all before. I get the arguments that have been made by clinicians and nurses because I have heard that

time and time again. When we are making decisions in this Assembly, it is not just our hearts and our heartstrings that are being pulled that we have to consider. We have to consider the facts. There might be lots of information there but the clarity of that information, in my opinion, is poor. If we were to go towards more of a full business case we would reduce that risk because we would have more of an idea of what that might look like. I recognise that will not be until May next year but what I am asking is that even if I was ... because this debate is being brought today, because it was the decision of the Council of Ministers to debate this on 5th October, then I would say why should I not support the amendment and then they can prove to me in the Government Plan if they do need to further come back. That is my position? I do not accept the arguments about delay. I do not accept the argument that Scrutiny have done their work just on the basis of thoughts and opinions. I would like more questions to be answered. For what it is worth, that is my contribution to the debate. **[Approbation]**

The Bailiff:

Deputy Morel, do you say you have a question for the Attorney General?

Deputy K.F. Morel:

Yes, Sir, if you do not mind.

The Bailiff:

What was your question?

4.1.15 Deputy K.F. Morel:

It is a constitutional question and it is in the event that Jersey is unable to make repayments on its debts held in bonds on the open market, so they are debts owed to the international community, is it at all the situation that Jersey alone is responsible for finding a way to repay those debts or is there a situation in which the United Kingdom Government would be expected to underwrite those debts, be expected, effectively, to step in in the event that Jersey's Government ... the question is: how financially independent are we when it comes to debt in the international community in this way?

The Bailiff:

I am not sure it is a matter strictly of law that can be answered by the Attorney General but if the Attorney General has a contribution to make and is able to assist. Mr. Attorney, are you able to offer any assistance to the Assembly?

4.1.16 The Attorney General:

Sir, yes. I also had reservations as to whether this was a question of law. As I am sure every Member will know, the Island has always prided itself on being fiscally independent and that means it is responsible for its own taxes and expenditure. I am not aware of any situation where the U.K. would be under an obligation to step in to underwrite our financial obligations. I do not believe that the U.K. would act so as to pay off our bond interest or capital repayments, but it may be that the Minister for Treasury and Resources or one of her officials could clarify and confirm it. The alternative, in terms of a state of emergency in the Island, then possibly the U.K. would come in to assist but I am not sure that failing to repay some interest on some bonds would classify as a state of emergency. I think that is as far as I can take it.

Deputy K.F. Morel:

Thank you. Just to ask just to clarify then, in the event of bankruptcy it is a matter for the Island to sort that out, in the Attorney General's view.

The Attorney General:

In my view, yes. The bond will be a long and complex document which will have terms and conditions, which would provide for methods for resolution of disputes. What would happen if there is a failure to repay interest? All of that would be dealt with in the terms and conditions of the bond. I am sure there would also be a jurisdiction and governing law clause, which I imagine is unlikely to be Jersey law or Jersey jurisdiction in either case because most of the financial accounting would not be based here. But that is a preliminary answer and I must stress that that is not case law on looking at this bond in question.

[15:30]

The Bailiff:

The Deputy of St. Ouen, do you have a question for the Attorney?

4.1.17 The Deputy of St. Ouen:

Yes, I do. Deputy Morel referenced a state going bankrupt. Is it possible for a state, or specifically Jersey as a self-governing jurisdiction, to be declared bankrupt?

The Bailiff:

Are you able to answer that question, Mr. Attorney?

The Attorney General:

I am not sure if I can off the top of my head, Sir. No, I would probably need some time to answer that. I am aware obviously that where, say, a developing country gets into financial difficulties then the I.M.F. can step in in certain circumstances. The U.K. is obviously responsible for the islands in international law but I am not sure, just in terms of the bonds and bond finances if those would be a matter of international law. Those are private law matters. The States of Jersey and the Government of Jersey would be the borrower, the Minister for Treasury and Resources would be the borrower under those instruments. They would not be international law instruments, which the U.K. would be responsible for. They seem to me to be much more private law instruments and we would be responsible for paying. Again, if we did get into serious financial difficulties, whether we could get the I.M.F. to help, then it may well be that we could. But I am afraid, again, that is as far as I can take it.

The Bailiff:

Mr. Attorney, I suspect there will be some time for you to consider the matter if you wish to offer any further advice to the Assembly. Clearly there is a large significant number of people still to speak, so that will be a matter for you. Next to speak, however, is Senator Mézec.

4.1.18 Senator S.Y. Mézec:

I would like to start by congratulating the Government. I want to congratulate them on what I think has been a masterful exploitation of the mother of all strawmen arguments throughout the course of this debate so far. They have managed to succeed in doing so because of their excellent message discipline that their spokespeople have employed throughout this debate, in their attempts to turn it from a debate, a legitimate debate about how much debt we are prepared to incur for the population we represent now and whether there is enough information at our disposal to judge whether it is the right or prudent thing to do and have instead turned it into a debate between those who supposedly want to delay the hospital project and those who want to secure it and move on with it, when in actual fact there is no such dichotomy here, certainly not from my part whatsoever. The question before the Assembly is an entirely legitimate one on whether we believe that we have the confidence now to give the Government the green light to take up the biggest step that the Island has ever taken on and leave that to be paid back by future generations and to do so on the basis of what some of us consider is not yet adequate information and instead to be responsible and give the green light for

still an extremely substantial amount of borrowing, so that they can get on with it, they can get on with delivering us the hospital that we need and still leave the opportunity, if necessary, for them to come back to the Assembly and say: "In those areas that you were not so sure on at the outset, we can now provide you more detail or, hopefully, reprofile it and seek to get even better value for money for taxpayers instead", which would clearly be preferable. I would say to the Minister for Health and Social Services, who I think made quite a big deal out of this in his speech, that I feel that I can vote in favour of this amendment with my conscience clear as somebody who really, really does want the hospital project to go ahead and go ahead as soon as possible. Credit to the Deputy Chief Minister who said in his opening remarks that when I was a Minister I was a pain in the neck to officers and to other Ministers wanting the site-selection process to be dealt with differently so that we could have been in this position months ago but that was to not be the case. I want this hospital project to go ahead. I am fed up of the debates on the hospital, quite frankly, and I want to be discussing many of the other issues instead. The reason I can vote for this with my conscience clear is because I simply do not buy it, I do not believe that voting in favour of this somehow jeopardises the whole project. I am convinced by that, partly because I think that the very helpful explanations that have been put to me through the briefings that Scrutiny have held and through some of my other colleagues as well, who have been close to this subject, seeing the breakdown of costs, seeing that the costs in terms of delivering the main works of the hospital are still substantially lower than what Scrutiny is proposing, we give the green light for borrowing now. The items in contention where the Government, in my opinion, has not provided adequate clarification on yet are ancillary matters which can be dealt with at a later date without risking us delaying the timetable at this point. The fact remains that if further on down the line it transpires that the £550 million limit is not appropriate and we will require a bit more, there is nothing whatsoever to stop the Government coming back to this Assembly, making the case, convincing us and getting that approval from us, approval which will be forthcoming if and only if they can make a satisfactory case in favour of it. This is about this Assembly taking control over this, having this matter kept in our hands rather than signing it off to a Government who right now there are legitimate concerns may not be able to account for all of this funding adequately. It is not the job of this Assembly to act as a rubber-stamping Chamber for whatever the Government asks us to do. **[Approbation]** The job that we have been given by our constituents is to represent them first and foremost as Members of this Assembly, and part of that duty is to hold the Government to account and, when it deserves so, to rebuke it. It is not simply to allow ourselves to get fed up, ourselves to get ground down by all of the information, all of the debates, going back and forth on everything in the way that this Assembly so often does, and then eventually to just give up and say: "We cannot be bothered to scrutinise this any further, we will just let the Government get on with it." We have to strike the right balance in allowing them to undertake those projects that clearly are in the public interest, but we also have to safeguard the Island's finances and that means keeping on top of this, even when it may be inconvenient to do so. I want to address part of what Deputy Martin said in her speech, and I have to say she was relatively kind to Reform Jersey in her comments; relative, of course. I make this point that ideologically I have no problem whatsoever with Government spending lots of money and borrowing lots of money to pay for that spending. I do not hold the same view expressed by the U.K. Chancellor of the Exchequer that somehow getting into lots of debt is a betrayal of future generations, he says the day before he cuts support worth £1,000 a year to the most vulnerable families in the U.K. I certainly hope our Government is taking no lessons on morality from that. What I want to see is a first-class public health service that is free at the point of need and that is paid for by those according to their means but who will receive according to their need. That is what I think is the basic principle of my political philosophy and what I want to see come out of any hospital debate. But I am not prepared to simply be ground down and allow the Government at this point to take this decision without the information. So I say to the Government that for the rest of this debate can we please drop this strawman argument that this is about delay or not delay, when it is about the veracity of the information we have in front of us so that we can adequately do our job, whatever side of politics you are on, whatever party you are in or whatever

relationship you have with this Government, a previous Government or any potential future one as well. The last point I am going to make is that I have to say I do find myself getting angry when the view is expressed, as it has been several times in this debate - and it has been connected to this argument about delay or not delay because I do not think it would be relevant otherwise - about repeating the desires of the incredible staff who work in our health service for us to just get on with it, something which I would anticipate at least 99 per cent of us agree and respect, to say that the views of those workers are important when they happen to align with what the Government wants to do, but when it comes to the extremely important issue of pay and terms and conditions for our public sector workers and our healthcare workers, that in the past many of those who are now praying in aid their views back then had their fingers in their ears and were not prepared to listen to them, when we know that not all of the problems that our health service faces are to do with the building in which they are operating. They also have serious recruitment issues that are connected to their pay and terms and conditions, the culture in the Health Department and, yes, also the cost of housing, which is the number one issue that I get Islanders coming to me about to say is one of the things that affects their professional ambitions in this Island and whether they wish to stay here. So, if you care about what they say when it comes to the type of hospital that we have and the services that are available in it and all of that which we absolutely should do, please let us also listen to them when it comes to the pay and terms and conditions and opportunities that those brilliant staff deserve to have, to have our health service and ultimately the people of this Island to benefit from their expertise and their professionalism. I simply have to call out what I see as hypocrisy there, where their views are relevant in the context of this debate, when it is portrayed as a debate on delay or not delay, when it is not a debate on that, but their views are irrelevant when it comes to supporting them directly. I urge Members to support the proposition from the Scrutiny Panel. I urge the Government to take that as a strong message from this Assembly, holding them to account to say that those previous debates on site selection and all the rest of it are over and must be over so that we do not continue to waste tens of millions of pounds with nothing to show for it, but that this Assembly and the people of Jersey deserve better. When it comes to the detail, when we are talking about such a substantial amount of money to take on as debt, they must come back to us with a greater explanation, reprofiling where it is appropriate and where it can deliver better value for money, but that detail so that we who have been entrusted by the public to represent them can feel confident going ahead. That does not prevent them from doing the work that is immediate, which I would hope most of us support. So, Members, I urge my colleagues to vote in favour of this amendment.

4.1.19 Senator I.J. Gorst:

I am not sure if it is too much sun here in St. Ouen. Can I first apologise to Members that I am not able to join them in the Chamber? I have just returned from the United Kingdom this morning and I am awaiting my test result. Even though I am light green, I did not think you would thank me for attending upon the Assembly while I waited for my result. I have supported the hospital in so many different guises that I have forgotten how many times I have voted pour to keep going.

[15:45]

I think we had the first iteration of a potential 2 sites where the then Minister for Treasury and Resources wisely limited the overall budget and 2 sites were considered perhaps able to deliver the hospital. Interestingly, one of those 2 sites was the Overdale site. But then we had an election and members of the public felt uncomfortable with the 2 sites option so back to the drawing board we went. I supported - and I apologise to the Constable of St. Helier for this - a hospital going on to the People's Park, but when it came to it, there was a very successful campaign seeking to remove that from being a possible site for the hospital. Some of my ministerial colleagues who will be making arguments to keep going today voted to stop or were going to vote to stop that site. Then we went to the existing site and there was a proposal to build what was, in effect, a new hospital surrounding the existing site, and I voted on a number of occasions to say yes to a new hospital on that site. It did

not and was not successful in gaining planning approval and there was lots of public disquiet about the implications for those continuing to need to be in hospital while work was undertaken. In common with the other preferred sites, there were clarion calls that told us that each time a site had been allocated there was a cheaper one around the corner, and each time that argument has been made it has, unsurprisingly to me, been proven to be incorrect. I well recall a certain Member who is no longer in the Assembly suggesting that the proposal for a hospital on the Gloucester Street site was so excessively expensive that the then Government would not even have been able to organise a pleasant drinks reception in a brewery. They had been speaking to somebody who had spoken to somebody who knew somebody's brother - all of these people always seem to live on the continent; I am not sure if there is a common thread there - who could do it for several hundred million less. So we went back to the drawing board, knowing, of course, that there was a strong political commitment for the Overdale site, and we have come round again and the Overdale site has been voted on and I have voted pour to build a hospital on the Overdale site. Every time progress has been made on building a new hospital, voices have been heard that have said that the site is not perfect, that there is a better site and, of course, all of the things that were known several years ago about the Overdale site have come to fruition and they should be no surprise to anyone. It is a substantial hospital on a hill that needs reasonably substantial roadworks to deal with the access issues. Of course, wisely I think, the current Minister and the current oversight group have felt that creating a mental health unit and creating now a campus health facility was the better way forward. When one wishes to build a hospital at Overdale of the nature which is now proposed, which as I say is a campus proposal, it is no surprise to me, and I suspect it is little surprise to many, that it is going to cost more than a different form of a hospital that could have been started had planning permission finally been received a number of years earlier. Yet I do understand why we are hearing again those 2 arguments about "I wonder if there is a better site" - thankfully we have not heard that in the Assembly today - but the argument to stop the progress today is an argument that a hospital is too expensive. That argument we have heard or I have heard on every other possible iteration of building a new hospital. I must say that - and this perhaps is a confession too far - I have enjoyed reading the Scrutiny Panel report and the Currie & Brown report because they themselves have reminded us of some of the history. I do think it is important that today we do not base our decisions and make our arguments about personalities, but I do think it is good to remind ourselves that some colleagues today are making a completely different argument than they have made in the past. For me, there is no point in us questioning that, why they have changed their arguments and their minds. Rather, I ask the question: were they right previously or are they right now? I am, I think, heartened by the understanding that a lot of Members now have that if we are to deliver this mammoth project it needs slow and steady progress and it needs a substantial budget. That is what Ministers are asking the Assembly to make today, to continue with the slow and steady progress and to allow Ministers to work within what is, without doubt, a substantial budget. So I think those who were against in the past but are now in favour of making that progress, I think they are right now. So, I think it is well known that I do not like borrowing. Unlike the previous speaker that I am pleased to follow, I do not hold with the philosophy that Government should borrow lots and spend lots. My colleagues will tell you that I have been very much a lone voice in challenging the level of borrowing, and that has been difficult for me. We have the borrowing proposal for the hospital before us today and we have borrowing suggested in the Government Plan to cover the COVID debt and we have other substantial borrowing suggested in the Government Plan as well. I have had a frank discussion with my colleagues and I find myself making a difficult decision. I think I accept, I see the rationale and the good financial practice that borrowing for assets is. So borrowing for capital investment in a low interest environment where one has a rising strategic reserve income makes good sense. I have always been concerned about the overall level of Government borrowing and I have said to my colleagues that in supporting this borrowing for the hospital, which is the right thing for all of the reasons that Senator Farnham and colleagues have outlined, makes it then difficult for me to support the borrowing in the Government Plan. But that is not a debate for today, that is a debate we will have together later this

year and, therefore, I understand all of the arguments that those Members have made about borrowing but we must take the amount in the round. Is it right to borrow for the hospital for a capital investment to keep this programme moving forward and to finally start to see some light at the end of the tunnel for building a hospital? The only logical conclusion, which I think is in the best interests of all Islanders, is yes, but in doing so I put Members on notice that that means I cannot support the borrowing in the Government Plan. I ask all of those Members who are concerned about borrowing to think about that same position. There are coherent arguments about why we should borrow for the hospital, for this capital investment, and if they are, as they have articulated so eloquently, against high levels of borrowing for all the reasons articulated, I ask them to support this borrowing and this movement forward and think again about the borrowing in the Government Plan. We have heard a lot today about controls over the differential between what will become the strike price for the building and the fitting out - that, of course, is not just the building of the hospital but also the education centre, the mental health centre and the car parking centre - and appropriate contingencies that any project of this scale must have. Members of the Assembly are right to raise those matters as they have done today and they are right to raise concerns about them, as Ministers have done and as we in the Treasury have done, as the Treasurer himself has done and as the Political Oversight Group recognises that as this project moves forward and a strike price is firmed up the controls required over the 2 different amounts will be enhanced. The control framework will be improved and the requirement for sign-off by both the Minister and the Political Oversight Group will be enhanced as well.

[16:00]

It is incredibly important that we do not spend - the saying is a penny but I think probably in this instance we shall say a pound - a pound more than we need to, but for those who have been involved in projects, any sort of building project, be it an extension at home, there is always a pressure to spend more than the original strike price. There is always a pressure to change the layout. In a hospital there is always a pressure from the users to want to change something or upgrade something or change the flow. That all costs money. Therefore, I take confidence from the enhanced controls, the enhanced processes that Treasury will be putting in place over those different amounts, that this project if continued to be managed carefully can be delivered and not require a decision of the States again to increase that 804 budget. I am committed, I know other Ministers are as well, but I think as Members know my scepticism, I am committed to working with the Political Oversight Group and fellow Ministers to make sure that we do not spend a pound more than we need to. A project of this nature in a small community is always going to be difficult and cause feelings to run high, and I understand that. I think the speeches that we have heard today have been excellent in articulating the dangers that lie ahead, but I have come to the conclusion that rather than stopping or stalling or asking the Political Oversight Group and the officers to go back and rethink things, which we know from experience costs more, that on balance, with the support of Treasury officials, not supporting the scrutiny amendment but moving forward with the Government's proposals is the right thing. There are, of course, those schools of thought about just getting something done and that is very powerful and it is right that we should be getting the hospital done now. But we should only get it done with the correct controls and the correct processes in place. Scrutiny rightly has highlighted areas where that can be improved and I think that Ministers accept that. But I do not, on balance, see any reason or think the case has been made for us to stop now and to not keep moving forward. As I said earlier, when it comes to the Government Plan I will be singing a different song. So I ask Members to think very, very carefully before they press their button to halt this project and I ask them not to.

The Bailiff:

Thank you very much, Senator. Do you give way for a point of clarification from Deputy Tadier?

Senator I.J. Gorst:

I do, but if you will allow me just to mention something I said in the chat I would mention in relation to Deputy Morel's question to the Attorney General, which I have written a note on but have just forgotten to cover, as is my wont.

The Bailiff:

Well, you have not ...

Senator I.J. Gorst:

Yes, I do.

4.1.20 Deputy M. Tadier:

Thank you, Sir, I will allow the Senator to do that if he has finished his speech, but that is for you, Sir. My point of clarification is to ask ... he said that he did not favour borrowing to fund the hospital, so he has to clarify how he would want to see the hospital project, the £804 million, paid for. Could he clarify that?

4.1.21 Senator I.J. Gorst:

Yes, I was very clear. I said that I did support the borrowing for the hospital. It was the other borrowing in the Government Plan that I did not support. Supporting the borrowing for the hospital I do not believe gives rise to the concern that Deputy Morel raised. Borrowing is a contract between the Government of Jersey and those who are taking up the bond, the market makers, and is not in any way connected with the United Kingdom Government and we should not expect the United Kingdom Government to intervene, nor should we expect Jersey Ministers to ask the United Kingdom Government to intervene. That would be wholly constitutionally inappropriate.

The Bailiff:

Senator, you said that ... well, you have made that point so there is nothing further, I think. Thank you very much.

4.1.22 Connétable K. Shenton-Stone of St. Martin:

If this amendment is accepted, the can will not be kicked down the road unless the Government decide to do that. This can should not be kicked down the road, not at all. I feel in this debate that I have a gun held to my head: if I do not support the Government then we will not have the hospital. Really? This is a democracy, we should be able to have well researched alternative and legitimate views and still have a new hospital. I have no interest whatsoever in delaying this hospital or risking more years at Gloucester Street. Like other Members, I believe and support the need for a new hospital. I support Overdale as a site. We need to invest in our Island's future. We can all agree about that. Nonetheless, at the end of the day this has been a problem of leadership. The Government have simply not delivered on this in the way they should have. The Deputy Chief Minister has not delivered as he should have. There has not been the clarity that a project of this magnitude deserves. Problems have occurred not just with this Government but with the previous Government and this Assembly has inherited a myriad of problems resulting from the last Government and their own failings in the provision of a new hospital. In an ideal world this Assembly should not have had to deal with any of these problems but here we are in October 2021. I may oppose the Government on this amendment today but, as I said, I thoroughly support the building of the hospital and I support a hospital that does not rely on a ridiculous sum for contingency of £73 million. Everyone knows if you give a project large funds for contingency - and I know this from doing my smaller projects in the parish - the contingency will be spent and we will probably be asked for even more. This amendment realistically cuts the spending. Remember, experts use and see contingency funds as a budget. This project team are asking for £804.5 million when by their own admission the hospital can be built for £301.3 million plus £179.5 million for equipment, land acquisition, contingencies, et cetera, making a total of £408.8 million, allowing for a further £69.2 million to take the total up to

£550 million. So the question is: what is the extra £250 million needed for? If we can build the hospital for £550 million then we only have to take out one bond and the Island would be in a more financially secure position and there is money to pay for front line medical staff and patient care. I was already concerned about what is missing from the proposed £804.5 million hospital in terms of facilities and departments. At £804 million we still have no rehabilitation ward, no physiotherapy or occupational therapy or hydrotherapy pool, as yet no long-term plan as to where child development, speech and language and memory clinics will be, et cetera. I was saddened when the Minister for Health and Social Services, who I respect, said this morning or hinted that if we do not support the Government spending £804 million then infertility and maternity services will be at risk. Why suddenly jump on women's healthcare services? Why not the car park, the road or something else? Surely if the £804 million hospital and the debt this incurs goes ahead infertility and maternity services should be paramount and we will need all these babies to be born to grow up to continue to pay this debt for years to come. I may oppose the Government on the spending today but I do want to see something good come out of this. Regardless of the outcome today, we need to do our best to put down the divisive rhetoric bubbling over the future hospital. Whatever the Assembly decides today we should accept it and begin to look at the new opportunities we will not only receive from this project but the opportunities left over from the hospital we leave behind. We will be moving to Overdale whichever way this vote goes, so let us have the vision to use the Gloucester Street site. Let us create new green spaces and let us have a cultural centre or something like that. Please let us be able to say by June 2022 that this cohort has achieved something, that we as States Members know not just what we want to do and where we are going with Overdale but what we want to use and what we leave behind us. I would urge you to please support this amendment. Thank you.

4.1.23 Deputy L.M.C. Doublet of St. Saviour:

I am pleased to follow the previous speaker. I came here with an open mind today, wanting to balance the evidence that Scrutiny have given us with what Ministers are presenting and I am completely open to being persuaded. There is a turning point in the debate for me today and it was when I listened to the Minister for Health and Social Services's speech, and the previous speaker mentioned this. I will say it again. I was shocked and quite disgusted that the direct implication from the Minister for Health and Social Services was suggesting that if we do not vote with the Government today then maternity services and paediatric services would suffer in the future. We have all had members of the public and Ministers lobbying us. I do listen to everyone but what I will not listen to is being held to ransom over the things that I thought were shared priorities of this Assembly. Many people have used this phrase holding a gun to our head and this is not holding a gun to our head but it is holding a gun to the heads of mothers, babies and children in our Island and it smacks of desperation. It was at that point that I started to wonder why our Government was resorting to such tactics instead of relying on the weight of the evidence that they have. It does not fill me with confidence that the Government have control of this project in a measured way. Those plans for maternity and paediatrics are not concrete yet; I have not seen any concrete plans. I have seen vague outlines and I want to make it clear to Ministers today that the public of this Island have taken them at their word when they committed to putting children first and that babies and children must be prioritised in any hospital and they must not be used as political pawns in this way. Speaking of politics, I am not a Member who has been particularly politically entrenched one way or the other in any of the hospital debates that we have had and I know that there are others like me in the Assembly that identify that way and who may still be weighing up the arguments today. I just want to remind those Members that - it has been said today and it has also been argued that the evidence is not there - scrutiny is based on evidence. It is not just a panel of politicians. Senator Vallois summarised perfectly the adviser report which is ... again, I have read that in detail and I found that very useful.

[16:15]

Yes, concerns may have been raised by submissions, which is one type of evidence, but that adviser report does provide us, as an Assembly, with an objective view. Scrutiny is such an important function, which I for one really value, and sometimes it amazes me how often as an Assembly we decide to waste the public resources that we put into Scrutiny and into paying for things like expert advisers and we do not listen to them. I think if there are Members who are still deciding on this ... and we do need to put ourselves outside of this dichotomy of am I team Scrutiny or team Government and think of ourselves as Members of an Assembly, as a collective. Surely we must understand that the Scrutiny function is there to aid us in our decision-making and look at their reports and the adviser's report in that light. We must take their findings into account. I think it would be foolhardy of us not to. They are not saying throw the project out, they are not saying delay it. They are simply saying - and again Senator Mézec's speech was helpful in this regard - that this is the amount of money we are prepared to commit to based upon the evidence of what we have seen from the business case that has been analysed by respected expert advisers and compared with other jurisdictions against industry standards. I have not heard much today that has persuaded me that the hospital project needs that larger amount, so based upon the evidence presently I am minded to support the amendment, based upon a logical consideration of that evidence that has been presented.

4.1.24 Connétable P.B. Le Sueur of Trinity:

I start by saying to Members that in my opinion with the debate today we are in the Last Chance Saloon. This is our third attempt at delivering a new fit-for-purpose hospital for the people of Jersey. I do not intend to dwell on the reasons of how we have arrived at the situation we find ourselves in, only to say that if we do not go ahead now the realistic possibility of attracting a delivery team for a fourth or fifth attempt at some future date, to say the least, is remote. Be under no illusion, the major international contractors with the skills and expertise to deliver a project of this size and complexity are commercially motivated. Their first consideration will be a decision whether to commit the substantial investment in time and resources required to prepare a tender. This decision will be balanced against the risks and likelihood of success that opportunity presents. How exciting do we think the remote prospect of delivering Jersey's new hospital will be considered at a fourth or fifth time of asking? Will they be lining up, banging on our door or more likely take the view that our community, this Assembly, cannot decide what colour pants to put on in the morning, never mind where to go and what to build every time we decide to waste more millions planning and only debating a new hospital? This lack of confidence may have already played a part this time with the shortlist of potential partners who expressed an interest. I am not suggesting for a moment that ROK FCC are not the right partner, just that we are fishing in an ever-reducing pool of talent. Ask yourself why would anyone waste their time and effort again when there are better opportunities with a better chance of success elsewhere? £804.5 million is a frightening amount of money and I would be in denial if I said it did not concern me but I take comfort from the advice of our Treasury team and professional advisers. Like many others I understand the argument about the legacy debt we are placing on our future generations but these are the generations who will benefit most if we can commit to invest now. After all, they are our children and grandchildren; do they not deserve 21st century healthcare? Is that not putting children first? If this hospital is delivered, yes, the balance sheet will have a substantial debt on one side but on the other will be assets with immeasurable value for the health provision into the future for our community. There are a few who would advocate that we continue to do nothing and let our clinicians and staff struggle with the present rapidly deteriorating hospital and health estate. This is a situation that I cannot reconcile. In the middle ground we have those who realise we need a new hospital but would prefer a much smaller and much cheaper cottage hospital, similar to that which would serve a similar sized community in the U.K., the fundamental difference being that they have relatively easy access to larger district hospitals and specialist centres that we do not. Do we really want a facility where it is fine if you have a broken limb that needs setting in plaster or perhaps a few stitches or some other minor procedure, or do we want a general hospital where our community and our loved ones can receive a full range of clinical

services and healthcare appropriate for Jersey here on Island? The alternative will see an increasing number of emergency flights out with patients who require urgent special care. I, for one, would not want my loved ones waiting at the airport for the fog to clear so that that flight can get away. Much is made of why do we need to cater for consultants and their private patients. Well, I am afraid we must live in the real world and if we want the best clinicians to invest their skills and their working lives here in Jersey they will expect a modern, well-equipped facility and the opportunity to practise privately and develop their skills, otherwise they are simply going to go elsewhere. The opportunity that is before us today is the result of an incredible amount of design and engineering work, extensive consultation with users now supported by the clinicians and nursing staff, and I believe we should embrace the opportunity and let us move forward. You only need to look at the way projected costs have escalated since the 2-site proposal rejected in 2014 and Gloucester Street in 2017, although there are no straight comparisons between the various proposals. This today is the complete package on a single site. With inflation there is really no surprise how it is now costing circa £800 million. Just to address the figure which has been bandied about about the 9.5 per cent for overheads and profit, this really should not be viewed together. Overheads are the cost of running the site, running the contractor's offices, the plant, the materials, the labour that cannot be allocated to specific tasks. Anyone in their right mind would not come to Jersey and expect that margin to be as low as 5.5 per cent. All that any further delay will achieve is more abortive and spiralled delivery costs. Even worse will be the irreparable damage to the morale of our most valuable asset, the dedicated team of health professionals who work so hard day in and day out to deliver first class healthcare despite our existing antiquated, inefficiently laid out hospital, which is creaking at the seams and ever increasingly expensive to maintain. I speak as a member of the Political Oversight Group who have been supported throughout the development of our proposed new hospital by a Government of Jersey team together with medical and construction advisers and through a programme of extensive consultation. I can assure Members that the Oversight Group have challenged, and I certainly have challenged, when we have been presented with timescales and costs and I still continue to do that work. With the inbuilt flexibility of design, the hospital at Overdale will cater for continued development in healthcare delivery now and well into the future. I cannot support the amendment from the Future Hospital Review Panel. This amendment would risk us being left with the funding only sufficient to do half a job and in my opinion half a job that will never happen. This amendment, however dressed up, is nothing short of a wrecking motion and will spell the end of the Our Hospital Project. It offers no credible alternatives, so it is back to the drawing board and will be a waste of effort to continue with a planning application in November because we do not have the funding. Do we keep the delivery partner hanging on, treading water at great expense for the next 18 months or 2 years while a new Assembly has another go at cracking this nut? My guess is they will be on the first boat out in the morning. I ask Members: are we really going to risk kicking this can down the road again today? We have north of £70 million costs on the clock for this and previous failed attempts to deliver a new hospital. Will we leave here today with nothing to show for it? Please not. It is time for us to set aside our differences, unite in a common goal for the benefit of our healthcare professionals, the Island community and future generations to deliver a new fit hospital for the people of Jersey.

4.1.25 Deputy M.R. Le Hegarat of St. Helier:

When seeking election 3 years ago and asked regularly where I would like to see the new hospital built, I said I had no preferred option. I still do not today although I realise that there are challenges at Overdale which were not at the time properly explained to us all. Today's debate is purely that of funding. As part of the Scrutiny Future Hospital Review Panel, I have participated in briefing and public hearings on a number of occasions and have asked questions have size, facilities, equipment and reasons why certain decisions have been made. As we arrive at today, for me there are still gaps in the plan which I am still not satisfied with. Why an increase in private beds when we have done no consultation on if those wishing to take this option will choose to have treatment in Jersey or travel

to the U.K. or elsewhere? No business case has been provided and I am fully aware that a number of local firms provide this as a facility but people will still choose to choose a consultant that is not on Island. Members have spoken about building this hospital for all Islanders and in fact one was surprised that Reform were supporting this amendment, yet we see an increase in the private wing but we see no facility for a child development and therapy centre, which we visited last week and have an excellent facility already at Overdale. They will move out to Le Quennevais for 5 years and they are not due to come back and they do not know where they are going either. When we were all told we needed a one-site hospital, because I had in the past said I thought that 2 sites seemed to make sense but we said, no, no, we have to have a one-site hospital. This is not a one-site hospital because otherwise if it was a one-site hospital child development would be returning there, but it is not. No resolution in relation to the road, in my view, as other options were available; no site for the bowling club; no parking for businesses in the area; no indication on when/if those matters will be resolved. We still sit hanging with no problem solved. A large car parking facility. Yes, it has been reduced. We have asked question after question after question. We get an answer: "We are looking at it" but nothing else. At all junctions we have been told that we are having a world class hospital and we want to be innovative. However, we are only a small Island community with only a limited workforce and an ageing population. In my view, we should be building a hospital suitable for our needs, size of population and a budget that is reasonable and affordable. We have no idea what the facilities management costs will be for this hospital. We are being asked to burden our children and grandchildren with the debt but no one can reassure me that it is sustainable for us, no information as to the resources that will be required to run this new hospital and how we will recruit and retain those staff. We currently have already vacancies within the health service and only in early July we had to cancel elective surgery due to the shortage of staff within the theatres. This level of funding for infrastructure poses a question to the Minister: how is the Minister proposing to fund meaningful pay increases for both hospital and other States employees if we spend so much on infrastructure and with a substantial debt for the next 35 to 40 years? No doubt when pay discussions come in employees will be told that there is no more money.

[16:30]

4.1.26 Senator S.C. Ferguson:

Before I start, yes, I am well aware that we desperately need a new hospital. When I was Chairman of P.A.C. we looked at the Jersey Property Holdings way back in 2007, 2008, 2009. I am aware of the sewage in the basement and the dire state of the I.T. (information technology) situation. On the other hand we need a good general hospital with room for expansion, not a world class hospital, although I see it is now described as a first class hospital, so it has come down a grade. Members should be aware of my views on what the Island needs in terms of the health service. I outlined these in the email I sent round to Members over the weekend. If you have not by any chance read my email, may I request that you look at it overnight because this debate is obviously going to carry on overnight or tomorrow. These current plans make no provision for such services as a step-down facility known as a ... somebody has got their microphone on. Could they please turn it off?

The Bailiff:

I am sorry, Senator, we cannot hear anything other than you speaking.

Senator S.C. Ferguson:

I can hear somebody spluttering in the background. Yes, there it is again. These current plans make no provision for such services as a step-down facility, formerly known as convalescent home but a great deal more use than the Jersey Care Model, but that is a debate for another day. I do know a bit about hospitals. My mother worked in the pre-war system as a physio and 2 of my sisters were radiographers working in the 1950s and 1960s before the private rooms were abolished by Barbara Castle. Yesterday, the Deputy Chief Minister was quite explicit that there were a significant number

of detailed plans in preparation for the formal planning application. These must be very recent as a concerned member of the public reported to me that he had visited the ROK offices recently and asked to see more detailed drawings as he had points to raise. He was told that there were no drawings. Deputy Martin referred to the lack of facilities for staff. These have been stopped over the last few years to save money. If you are on night duty you have to bring your own sandwiches, which does not seem quite right to me. The Statistics Unit has submitted a report on G.D.P. and G.V.A. (gross value added) this week: G.D.P. fell by 9.2 per cent and G.V.A. by 8.7 per cent. It is extremely unlikely that the economy will be firing on all cylinders immediately, particularly as productivity also fell by 8 per cent in 2020. The mayhem caused by the recent ill advised and ignorant attempts to streamline the States, which we are still trying to sort out, will do nothing to improve productivity. As I said in my email to all States Members last week, the first step is to have an efficient system. Improving productivity is not reducing the budget but streamlining procedures within H.C.S. If you improve efficiency the costs will fall away. It should also be noted that the recent large hospital projects have all come in over budget and over time, which suggests that there is an over-optimistic optimism bias. For instance, the new Liverpool hospital needed to be bailed out by the U.K. Government. If you think £800 million sounds high, wait until you add another £200 million to £300 million. This is before we have a properly defined I.T. or workforce strategy. We also need to remember that the Chinese company Evergrande, the property company, and other large Chinese companies are currently financially unstable. President Biden has an enormous spending programme planned, thereby increasing the U.S. (United States) deficit. Energy prices are skyrocketing in Europe with the prices putting the lower income earners into fuel poverty and giving them the choice of heat or eat. Against this uncertain background and flimsy evidence, we are being asked to sign a blank cheque. The problem is exacerbated by the fact that we know neither the precise costings of the build nor the estimated running costs of the hospital. We are told we should have a larger private patients wing so we just increase our private patients target. There is no independent business case for this. It is only just now being said. The question is: is it a genuinely independent piece of market research or is it just a justification for the idea? Is it based on evidence of market trends and market research? The employment of specialised surgeons in private practice implies that there will be sufficient demand for their specialities so that they can keep this practice. I think it is about 100 operations a year or something like that. In most cases there is insufficient demand to keep these specialised surgeons in practice. It is more cost effective to send patients to U.K. or French hospitals for treatment and it also means that patients will have access to the latest up-to-date procedures. Considering the underlying financial strategy, this intends to finance the hospital through borrowing in the context of the Council of Ministers policy on financing and the Minister for Treasury and Resources wider debt, modifying the objectives of the Strategic Reserve to finance and manage the servicing and repayment of debt and the directly associated costs of doing so. It is a mouthful that. However, critical to this approach is the use of the Strategic Reserve as the back fall to pay both on debt repayment and coupon costs through arbitrage on investment returns arising from the Strategic Fund Reserve Fund balances. This necessitates leveraging an expected arbitrage between investment returns, which are estimated to yield an expected and annual minimum of 4.6 per cent based on R.P.I. (retail price index) at 2.6 per cent and 2 per cent growth. Annual coupon costs of 2 per cent are envisaged, so a positive performance totalling 6.6 per cent on investment returns is critical. Putting it simply, it is proposed to put the bond proceeds, which we receive when the bonds are sold, immediately into the Strategic Reserve and rely on the investment performance of 4.6 per cent plus 2 per cent, i.e. 6.6 per cent, to be able to provide the required return to cover the target performance of the Strategic Reserve plus the coupon due on the bond. This assumes that future performance will continue the exceptional market performance that we have had over the past few years. Given the economic problems emerging in China, America and Europe, not to mention the rest of the world, this is unlikely. Nevertheless, it is intended to adopt a more aggressive approach to investing in order to achieve the returns required. These are the twin objectives of debt coupon repayment and maintaining as a tracker measure the Strategic Reserve at a level equivalent to the

economic gross value added. But the G.V.A. has fallen significantly and productivity has also fallen. These vital measures will not recover quickly, given the general economic outlook. Frankly, I am not sure that anyone in the States organisation really understands how to improve productivity. I know a man who does, but that is another story. We have been assured that the return is achievable, but this more aggressive approach implies a strategy that will attract higher risk. This approach brings forward a behaviour of borrowing in advance of need without knowing the overall project cost or running costs of the asset being created. The lack of an estimate of running costs in the outlined business case is the most serious failure and undermines the credibility of the formulation of the Our Hospital Project. As I have said, we are relying on a continuation of the excellent investment performance of the past few years, despite the fact that the world economic background is extremely uncertain. The problem is that if you are relying on superior investment performance to meet particular expenditure, it is risky. If you are doing it with borrowed money, it is even more risky. In this instance we are just putting too many eggs in one small basket. If at this level of borrowing we fail to meet our goals, we could jeopardise any future projects needing borrowing, like the new property for the States offices. It will probably affect our credit rating. In fact, the Deputy Chief Minister has already said that he is expecting the credit rating to be reduced. The only question is: by how much? Not to mention the fact that the States has a consistent record of capital programme slippage. So borrowing in advance of need and not knowing how much we really need will attract unnecessary risks as well as costs. Treasury have said that assets owned by the States of Jersey could be sold to bridge any gap on affordability on bond repayment. As Evergrande Property, the Chinese company, is finding, the possibility of financial problems immediately reduces the sale value of those assets. It becomes a fire sale. It also means that the proceeds of sales cannot be used for projects to benefit the public who, as taxpayers, originally funded the assets. Here we are. We have seen no detailed drawings and we are being asked to agree a maximum budget with no buildings costings and we have no proper estimates of running costs. What is worse, we are in effect borrowing more than the annual total tax take for the bailiwick and we are taking a risky approach with our investment strategy against a decidedly uncertain economic background. Please support the Corporate Services amendment, which limits the budget to a more realistic level.

4.1.27 Senator J.A.N. Le Fondré:

In the long term we are all dead, yet we still plant trees for the future. We do not know whether winter will kill them off or whether there will be a drought, but we still plant them and we put plans in place, usually, to look after them while they grow, for the next generation and the generations to come. That is what we are being asked to do today. Frankly, this amendment feels like we are not prepared to look to the future. For example, I have heard comments about the conditions that our staff work in, the difficulties of attracting staff, et cetera, et cetera.

[16:45]

I agree absolutely with that. I can guarantee that having poor facilities will not attract the future talent that we will need. This is an incredibly important debate. This is about an Island need and the future health of Islanders. It should not be about short-term political expediency or, for example, about voting again me as the current Chief Minister or the current Government, just to give them a kicking. This is about the next 40 years, the next 10 Governments and the next 3 generations. It is about those who do come after us and those who depend on our wise choices now to secure their future. Yes, there are large sums involved. We do have a plan, a plan A if you like, to ensure that these are affordable, without putting up taxes and without threatening future generations. There are also supportive measures that go over and above the main proposals, which I will refer to as plans B and C and which I will address later. I want to try and boil this debate down to the simple points. I do not believe I am prone to exaggeration. Hopefully I am not prone to overselling either. We need to be very clear as to the consequences of this amendment. Not about the amendment itself, it is the consequences of this amendment. In essence, it stops this project - that is it - stone dead. It takes it

out of the hands of this Assembly and exposes it to yet further political uncertainty by putting it into the hands of the next Assembly. That is because I am talking about delay. Now, let us be clear, some Members want that. The Progress Party want to go backwards, in my view, to Gloucester Street. Reform Party seem to be, frankly, trying to have their cake and eat it. By that I mean it is about conclusion over outcomes. It is all very well saying I want it to go ahead but then take away a third of the budget. That does not work. Members cannot have it both ways. Either we reject the amendment and move forward or we dither and delay, for all sorts of reasons, and either compromise Islanders' health or just add further cost. I have said in the past that this is a generational debate. I make no apologies for repeating what I said a couple of weeks ago, because what I was minded about, where we are now, is the decisions that this Assembly or, rephrase that, our predecessors in this Chamber, have made, for example, around social security when I believe - it was certainly before my time - coffins were carried into the Royal Square to demonstrate the anger of the populace at that time. What I said as well is that can you imagine a world today without pensions or benefits? I am reminded, and this goes from my father's day in this Assembly when the big debate of the day was Queen's Valley. I can remember being told by him that he was told by the professionals advising them ... I think this relates to 1976. In 1976 when we had the drought and the hot summer, we were hours away from running out of water. Here we have a hospital where we have been told that in about 5 years' time the state of that hospital will be sufficiently bad that we may have to start closing bits of it. That is not a gun to a head. That is being honest and straightforward. If any Member tries to say later that we did not say that these are the consequences of this amendment and: "I did not know," then I am spelling it out really, really clearly. I have a confession to make: I have never built a hospital. I doubt there is anybody in this room who has built a hospital. I suspect the Connétable of Trinity is probably the closest we have, not on a hospital but on development. I can say I have built some things. I have built some things personally involving builders and I have been in organisations that are presently spending many millions of pounds to build things. I have a limited understanding. That does not make me an expert. What I will endeavour to do later is clarify some of the confusion that seems to have arisen. As a sample, I will pick out Deputy Ward and Deputy Gardiner in relation to costs and the confusion that seems to have arisen. Let us deal with the proposition. The proposition focuses on 2 areas. One is the amount of borrowing and the other is the overall cost. The 2 are intrinsically inseparable. The proposer is seeking to cap the costs to up to £550 million, including client contingency, optimism bias and site-specific costs. That is quite a specific figure. I was looking forward to the report to see how the panel was going to save me, as a taxpayer, around £200 million while not impairing my future health needs or that of my family. I was slightly more intrigued when the report for the amendment made it very clear that what the panel is not doing is specifying to this Assembly or the Hospital P.O.G. (Political Oversight Group) exactly how this is to be achieved or what should be removed. I was kind of looking for evidence. There is nothing, so I eagerly awaited the report. Equally there is nothing in there that justifies a project figure of up to £550 million. The only comment from any of the professional advisers is the following: "Should the revised cash envelope be determined as an example at approximately £550 million ..." and it goes on about: "The Strategic Reserve could still have in excess of approximately £550 million at the outset and the integrity of the purpose of the Strategic Reserve Fund reserved." This is purely an accounting exercise. That is the only evidence or advice I can find from any of the professional advisers that remotely mentions a figure of £550 million that this Assembly is being asked to vote on today. Yes, we could. We could drop the mental health unit; that will take out £40 million, £50 million. Would we really want to put the maternity unit back to Le Bas Centre? Probably not. So, I am exaggerating but I would have expected for something this fundamental a change for there to be evidence of what this would entail or how it was properly arrived at. There is none. I will come to standards later that inform the costs and why the costs have gone up. I quote 2 paragraphs from the other advisers to the panel: "At this stage of early cost estimating this margin of cost variance is not unusual and it is not significant within the overall scale of the project and can be seen as an opportunity to target cost reductions through the robust target value design approach being

implemented by the project team. While the justification for the full scale of accommodation is yet to be provided, the costs presented for the RIBA Stage 2 design are realistic and robust.” The point about that is is at the stage we are at these costs are realistic. I repeat realistic and robust. Again, where is the evidence in the Scrutiny report to justify exactly what to take off to the tune of £200 million. I could not find anything. Remember, the Scrutiny adviser has said there is a robust process already in place about looking at value and being run by our present team. That is where, for example, Senator Gorst was. It is about how we keep control of that contingency. We are not in disagreement, by the way. We do want to keep those costs under control. However, what we are trying to do is give the flexibility to make sure this project can keep going. Senator Gorst’s comment was “slow and steady”. We have been making really good progress compared to previous schemes. Let us remember how we got here. There have been a number of iterations for a new hospital. It first started in 2010 with what might have been a refurbishment almost. Then we eventually landed at 9-year phased development programme at Gloucester Street. Those drawings, from recollection, were a block outline. It was not a detailed planning application, which is what we are trying to do, and which by the way we are trying to do on 15th November of this year, about 6 weeks away. We can get the rubber out and start redesigning it, but it is not going to happen in 6 weeks, so we are talking about delay. I will come back to that in a minute. We did not know on that previous application what we were getting. Most importantly, there was poor engagement with the clinicians, many of whom are highly critical of the scheme. I will say, because I think it was in my present role or just before that role, I spoke to some of those clinicians quietly who had been very publicly critical. There were not many; I spoke to 3. Two of them, I have not checked on the third one, have very clearly expressed their support to what we are doing now. That, for me, is progress, it is moving things forward. It is getting that right product. **[Approbation]** That was one of the big differences to where we are. Do not forget as well that that previous scheme was rejected twice by 2 separate Ministers for Planning and Environment. That was one of the driving forces behind Deputy Russell Labey’s proposition for bringing a different approach. I would say that is what we have done. While there have been cost comparisons with that older scheme, we know that it did not include certain key items. Absolutely very clear, mental health was not included anywhere in that scheme. So that £466 million is automatically round up to above £500 million straight away. That was the comparison. That was back in 2017. In fact, the then Minister for Health and Social Services was then proposing a separate project towards the end of his term. I cannot recall, and I went back to the Strategic Reserve of the day, there was an issue around lack of clarity, for example, as to whether car parking costs were included in there. Digital records were very unclear. We are addressing digital records. Hopefully the Deputy of St. Peter will address that at some point. What was also very clear is the proposition itself tied itself up into knots completely. Most critically, and I hope people will listen, Professor Handa has said on a number of occasions the proposed scheme would have been out of date within 5 to 10 years. These were his words to me, he did not need to say them to me. I walked into the Council of Ministers room at some point and it was the first or second time I had met him. He said: “We were extremely lucky not to have gone with that scheme.” As I said, he did not have to say that. Basically it was because it would have been out of date. It is all very well saying: “Yes, we had this perfect vision from 2017 for £500 million,” when it would have been out of date within 5 to 10 years, according to the professionals that advise us. Let us not get into this cost comparison, because we are looking at 2 different schemes and 2 different levels of quality. Who am I going to believe? I am going to listen to Professor Ashok Handa, a consultant vascular surgeon, who recently received a Lifetime Achievement Award at the University of Oxford’s Medical Sciences Teaching Excellence Awards. I am not going to base my decisions on ill-informed tweets on social media. We were lucky, we dodged a bullet. Otherwise that budget of at least £466 million, if I exclude mental health, £500 million if I bring it in, would have been wasted. We would have had a building that would have not been fit for purpose. Bear in mind, by the way, it was a 9-year phased development. What would that have been like last year in the middle of the pandemic? Can you imagine running a hospital with a building site and COVID-19? I find it incredibly ironic that while we are still in a pandemic we

are arguing over what the Island needs for future healthcare. What we have done is we have gone for a bottom-up approach, informed by the clinicians properly, informed by the nursing staff properly and that has informed our health outcomes. Let us talk about delay here. If this Assembly does vote for this amendment, it will be stopping this project. Why do I say that? Because the rough estimate is it will take at least 18 months, might be as far as 2 years, of consequent costs to produce something different. I will not go through the list, but basically you have to go back to square one, you have to do the functional brief that then works it all the way up. By the way, let us say 2 years assumes we keep the team. If the team walk away because is the third iteration then that would be another year. That is 3 years. This is at a time we have historically low borrowing rates. Certainly I can never recall rates that have been lower than where we are now. So time and delay almost guarantee that rates will go up, certainly in the next 3 years. Also we know that inflation costs and building costs are going up. It was alluded to on one of the television stations last night by Patrick Armstrong ... apologies for naming him, but it was in the public domain. How would we get that engagement back with the clinicians? What is the impact on morale going to be here? It is all very well, as we have said, having 100 people out in the Royal Square, telling us they do not like the costs. We have had 125, 128 clinicians and nurses writing to us imploring us to get on and do this. As I said, I make no apologies for saying it again, we have been advised that in 5 years' time the management of those facilities will get sufficiently difficult that we will have to contemplate closing things. Basically it is all about getting us back on to that hamster wheel and going round and round and round.

[17:00]

Let us be clear, some Members, although they are not saying it at the moment, want to go back to the old site. Some reference has already been made to it, but I will just briefly remind Members of parts of the letters that we received. This one from the nurses expressing relief that Overdale had been agreed as a site and a turnkey building fit for purpose was on the horizon and in sight for all of us. They are saying: "We can accept working in the environment we are in for another 5 years in the knowledge the new build has begun, but we want to be clear, it is getting increasingly difficult. We have to empty bathrooms before we offer patients the use that they are meant to be used for" because basically they are used for storage. Certainly I am aware, through family members, that there is a consistent thing of having to move stuff from one room in a ward to another to another. There is a constant battle for space. Interesting enough, they say we do not have suitable space to break bad news in private. What that means, let us boil it down, is you are either telling somebody that they are dying or you are going to tell a relative that their close, nearest and dearest are dead and you are doing that at the moment with the barrier of a plastic curtain from the next bed. What they say is: "Our priorities should be focused on the delivery of care and hands on our patients, not on moving beds and equipment just so we can deliver the most basic fundamentals of care." What they have also said on having been involved in the design of the new hospital: "This has been really exciting work and finally brings together physical and mental health on one site in a building that affords patients and staff a building that is fit for purpose, that demonstrates an investment and a value we all place on health." How many times, particularly in the last 18 months, have I been asked, as part of COVID-19: "Are we putting money before lives?" Here, this debate, yes, it is worthy of having a debate about money, it is absolutely clear, but our view is that the proposals we are putting in place do work and therefore we can put that healthcare at the front and centre of our policies. Yes, it is about all Islanders and it is also consistent with our objectives of putting children first, as the Minister for Health and Social Services said. I will briefly remind Members of letters from the clinicians. They talk about the issues around having enough operating theatres to satisfy the demand for surgery: "Emergency medical and surgical assessments will never be co-located for our emergency department if this does not happen. We will never have the mental health or maternity facilities we need. Our radiology and pathology departments will not be able to expand to deliver crucial diagnostic investigations. We will still have to rely on Portakabins to provide outpatient clinics and our inpatient wards will never have en suite rooms." That goes back to the bathrooms. "We do not

have the luxury of further delays. We cannot continue to care for our patients, the people of Jersey, in the current building for much longer. What we need is a new hospital.” In essence, what are the other consequences, apart from delay, cost and wasting yet more money on trying to maintain a slowly failing facility? It is about letting down our staff and our patients. I want to talk about the funding. Let us be clear, the Scrutiny adviser clearly states that the market has changed since 2017. I was challenged why had I changed my mind and my stance on borrowing. As I said, if one goes back and looks at the adviser’s comments ...

The Bailiff:

Senator, I am afraid I must interrupt you, there is a point of order raised by Senator Vallois. Senator Vallois.

Senator T.A. Vallois:

May I raise a point of order with you with regards to the potential for misleading the Assembly? When I ask this point of order, it is in reference to the argument that this is imminent delays.

The Bailiff:

I am afraid not, Senator. A point of order is a point raised on which the Chair can make a defining determination. I am clearly not in a position to make any determination. It is for others to address those matters in their speeches or to raise points of clarification with the speaker after that has finished.

Senator T.A. Vallois:

Thank you, Sir. That is unfortunate.

Senator J.A.N. Le Fondré:

May I continue:

The Bailiff:

Please continue, Senator.

Senator J.A.N. Le Fondré:

If it helps, when I talked about delay, I am basically saying that the planning application at the moment is scheduled for 15th November. As I have said, by essentially restricting the funding envelope, it means that the scheme as envisaged cannot go through that application process. Therefore, we then go into redesign, which then comes back to the functional brief stage, which is basically restarting, which is then attempting to get engagement again with clinicians after what has been a very, very thorough process. That is the summary position. What I was going to say, to address the point about why I changed my stance, there are 2 reasons. Well, there are a number of reasons. However, to quote the Scrutiny adviser, it says notwithstanding particular negative comments they have made: “Bond financing is still considered to be the optimal solution if this level of borrowing is deemed to be required, rather than the previous recommended blended approach. This is due to market changes since such an approach was recommended in a previous iteration of this project in 2017.” There are some other reasons as well. However, Treasury have clearly demonstrated - I hope everybody has seen the graph with the red line at the bottom - which is if you take it out the reserves, and the growing lines of projected ranges of what happens to the finances if you leave the reserves reasonably intact. They have clearly demonstrated that by keeping the reserves and by borrowing at historically low rates it will leave us better off by £1.7 billion. That is on £756 million. Spending out the reserves rather than borrowing, in essence, adds to our costs of project. If we just illustrate that. If we borrow £756 million at 2 per cent, that is probably higher rates that we would hope to get, but let us use that, that would cost around £15 million a year. Bear in mind, for example, we have set the challenge ... Deputy Southern may not like my allusion to this, but we have

set the challenge to achieve £20 million of rebalancing and savings every year. You may not agree, but I am putting it into the context of what that amount looks like. What I am trying to say is that it is a manageable sum that is being funded out of the reserves and does not go anywhere near the P. and L. (profit and loss), if you like our normal day-to-day expenditure. Interestingly enough, I came across a quote from a Scrutiny adviser to a certain Corporate Services Scrutiny Panel back in 2014, also known as C.I.P.F.A. They, at that point, were challenging Treasury's assumptions about the rates of return that Treasury were projecting for 2014, 2015, 2016 and onwards. They suggested this should be further tested. Those Treasury assumptions were around 5 per cent and up to just over 6 per cent, depending on which year you take. The returns from 2014 to 2020 have averaged at 7 per cent. In other words, the advice was conservative of that day and Treasury said: "We think they are being conservative." Treasury have proved their position. If we get 7 per cent, for example, if we use that average return on £756 million, that is worth £50 million a year in the context of interest being paid at 15. We are not proposing to borrow recklessly. There is a plan and it works. Frankly, in my view, alternative options leave us more exposed from risk, leave us less flexibility and, as I have already said, involve the taxpayer giving up huge growth in our reserves, which under our proposals will always be there if they are needed. I know Deputy Morel, for example, is concerned about risk. I am sure he will speak and I am sure he will tell me why I am wrong. Some of us feel guilty about this by the way. However, Deputy Morel is applying his view as an individual on a borrowing pattern. As an individual we take out a mortgage and we generally have to repay it before we retire. There is a fixed timeframe. However, a company, and in particular a Government, can have a far longer time horizon. That is what we are proposing, 35 to 40 years. That allows us to borrow at really low rates, again without putting up taxes. As I said, I repeat our proposals about saving money. That saves or generates £1.7 billion. Bear in mind, we are meant to be being rational in our decision-making. Separately and also a reason for a different approach, it was identified in another Corporate Services Report ... I will say it just in case Deputy Morel is picking me up, I am giving an assumption. I am sure he will address where I am wrong later in his speech.

The Bailiff:

As you have raised it Senator, Deputy Morel you have raised a point of order?

Deputy K.F. Morel:

Yes, I apologise to the Chief Minister, I do not want to. It is more I do not know the Standing Order, but is there a Standing Order which says you cannot imply things? The Chief Minister has no idea what my view on risk or debt it, because I have not spoken.

The Bailiff:

The Standing Order says you cannot impute improper motives to someone.

Deputy K.F. Morel:

Well, he is impugning some motives, which he has no grounds to base that on.

The Bailiff:

I think you have made that point. There is no ruling to make. The Standing Order is what it is: imputing improper motives. It is for you to correct that imputation when you come to speak.

Deputy K.F. Morel:

Okay. It is intriguing, because I have said nothing.

Senator J.A.N. Le Fondré:

I am sure Deputy Morel will correct me in the error of my ways when he speaks. What I was trying to say is that - I am picking on Deputy Morel because I know he has been raising questions during the debate about risk - is around we as individuals apply often our own risk profiles to the decisions

we are making. What I am trying to say is that as a Government we can have a longer time horizon. The other point, also a recommendation from the then Corporate Services Scrutiny Panel, was about looking and recommending to Treasury, it is accepted as a recommendation, in 2017 or the beginning of 2018, about looking at the current year prior basis of taxation. At that point, we thought it would raise about £280 million. The projections now are about £340 million. The point is that at that point in time, certainly I felt there were different ways of raising the funds. We have had COVID-19. That has demonstrated how we can react to stress and how we have been able to flex and deal with a crisis. We have come out of it really, really well. That COVID-19 debt and the money raised by the P.Y.B. (prior year basis), C.Y.B. (current year basis), depending on what point in time you take, the C.Y.B./P.Y.B. will raise between £100 million and £200 million more than the present projections on COVID-19 debt, depending what point in time you take. In addition, we have the £287,000 debt that is referred to in the Government Plan. If this Assembly approves the refinancing of that existing liability in the first 30 years, that will save the taxpayer £300 million. Not only with plan A, in terms of working returns which work on the hospital funding, we have what I will call plan B and plan C, which will generate between £400 million and £500 million extra to go into the reserves, to again improve our financial position. That, if future Assemblies agree, then obviously can be used in whichever way they wish but towards this rather significant capital project. I know I have been going for a while, but I hope it has been helpful, to address some of the comments. Hopefully the Deputy of St. Peter is going to pick up the Mott MacDonald comments from the Senator in front of me. What I do need to make comment on is around the size of the road and the way the hospital areas have changed. What we are very much focused on, bearing in mind we have lost 2 planning applications, is obviously getting that planning permission. That is basically eliminating as much planning risk around that as possible. It is about the standards that the Planning Department lay down, as far as I am concerned on the advice we received, about how we get access up there. Obviously if that road is not of sufficient quality that would be grounds for rejecting the application. I am being slightly simplistic here. If we look at the size of the hospital, part of that will be down to standards that have changed; usually that means they have gone up, bigger, for the various areas. I am being really, really simplistic because I am trying not to go down to the weeds too much. For the sake of argument, you are doing a dialysis area. There will be standards now about spacing between patients, the requisite area for the number of people in there and all those types of things.

[17:15]

The point about those standards is if you are a clinician, particularly in this increasingly litigious world, you will be concerned. If somebody dies under your care, being blunt, and there is a case, I would suspect any decent lawyer would look at the hospital in which you are operating and say: "Well, the reason my client or the relative of my client died was because this hospital did not comply with the current standards when it was built." In other words, there were issues in the past where attempts were made I think it was to take 15 per cent off patient spaces and other bits and pieces within the hospital. That is one of the reasons why that size has got bigger. I have talked about the previous scheme. I do not think we have to go there. I do not think we need that. One thing we do need to remember as well is we are not alone in wanting to build a new hospital. There are numbers of hospitals to be built in the U.K. It is one of those things that if we consistently delay and stop it and dither, people will go elsewhere, because there is easier business to get hold of in a market where there are relatively not that many people who build hospitals. The other point, and it deals slightly with the overheads and profit calculation, it was tendered for and we went for the one who had the lowest calculation. Part of that calculation was because in, for example, the United Kingdom, where a contractor can see repeat business coming down the line they will pitch it at a different level, i.e. cheaper. This is a one-off hospital for us. Therefore, you will not get that discount. Building costs are a fundamental point, which both Deputy Gardiner and Deputy Ward commented on. Deputy Ward made a comment around it says we can build it for £311 million. He specifically referred to that. Deputy Gardiner said the same. It was roughly around there. The problem is you have £311

million ... and this table is directly in the O.B.C., which breaks down the £311 million and contractor contingency and P.C.S.A. costs and design professional fees and equipment, reprovisioning of services from Overdale, those fine preliminaries. It is not £311 million, for the sake of argument. You need a crane to build. That is not included in the £311 million. You need the architects. You need the professionals who put all this together. You definitely need to equip it. That £311 million that was cited by at least 2 Members is just a complete misunderstanding of those costs. That is why we are saying that that £550 million that this is being capped at, and bear in mind that is total costs, it will be reduced by the existing expenditure that has already been incurred, is not realistic. As we said as well, it is clearly the case it is a number that has been plucked out of the air. There is one thing I do need to say, apologies, which I did want to place on record is basically on the conflict, for want of a better expression, of the Connétable of St. Helier in relation to the bowls club. I really want to say that it is my absolute intention to secure the alternative location for the bowling club prior to commencing the work. That is about as clear as I can be. We need to achieve that. I have talked about that and I have talked about costs. About costs, interestingly enough some will hopefully recall this, we opened Les Quennevais School relatively not so long ago. That was £45 million. From what I have been told, most of our school projects prior to that were about £10 million. I have certainly not heard any objects, even from me, about the massive difference between what we used to do and what we built it to, because that was investing in the facilities out there for children. I am sure most Members have seen them. If they have not, it is really well worth going and visiting. I am skipping quite a lot of notes, but the Constable of St. John will be delighted that I agree with him on one point, which is the state of the building, what our staff presently have to operate in. It is not good. Deputy Gardiner said there was no free money. I agree with that as well. That is the choice, by the way, we are very clear if we do not borrow and we use the reserves, there is a cost to that. It is not free; that cost is the loss of return. It is that difference between the average return of 7 per cent and the likely borrowing costs of around 2 per cent. That is why I was saying it was £1.7 billion. I do want briefly to talk to Deputy Doublet's and Deputy Le Hégarat's comments. Deputy Doublet felt that the Minister for Health and Social Services was holding a gun to people's heads. That was not his intention. I cannot speak for the Minister for Health and Social Services, but in my opinion it was not his intention. It is about being honest. It is about saying: these are the consequences that without any direction how are we going to reduce this budget down? That is what we are being asked to do. In terms of the child development facility, certainly as far as I am aware, they have chosen not to return to the main hospital. Therefore, we have 5 years to resolve that problem. As I understand it, it is their choice; it is not something that we are imposing on them. In terms of staffing, in the area Deputy Le Hégarat was referring to, we have 8 vacancies out of 85 F.T.E.s (full-time equivalent), so we are not understaffed. Some delays in surgeries were around a combination of maternity leave and annual leave. I have spent a long time. I apologise for that, but I have tried to address as many of the comments that I have heard to date from Members. I make no apologies for reiterating this point: this is a generational decision that we are facing today. It is our Queen's Valley of 2021. It almost feels like that what we are being asked to do is to build that wall at Queen's Valley, that dam, at a lower height. If you think about that, that is the short-term issue versus the long-term issue of the water supply. For me, I am absolutely clear, voting for this amendment does cause delay, it therefore causes cost, and we really should not be doing it, let alone the morale and impact on our staff. That is not just the clinicians, but obviously the nurses. We have had, as I said, a letter from around 125, 130 clinicians and nurses. I am going to finish by reading that last paragraph from the clinicians: "We implore you, the States Members, to come together to see the bigger picture and for the sake of the healthcare needs of this generation and our future generations, please make the right decision to support the current proposal to build at Overdale. Let us do what the silent majority of Islanders want, which is to get on with it and build the new hospital that we desperately need." I do not think I can put that any more eloquently. I urge Members to reject this amendment. [Approbation]

The Bailiff:

Minister, do you give way for a point of clarification asked by the Connétable of St. John and Deputy Ward?

Senator J.A.N. Le Fondré:

Yes.

The Bailiff:

The adjournment is proposed. Any time from 5.30 p.m. onwards is normally acceded to without any difficulty. I have one Member listed still to speak. I have no doubt there will be others who will wish to speak. It may be that it has been a long day and that Members would agree. You propose the adjournment. Is that seconded? **[Seconded]** Very well, I am going to work on the assumption, unless someone indicates a strong view that they wish to argue against it. Senator Vallois, you have said: “No, Sir.” Is that no, you do not want the adjournment?

Senator T.A. Vallois:

No, Sir. We still have 6 minutes remaining. If the Minister for Infrastructure is able to do his speech within that time I think it is sufficient. We have 5.30 p.m. as our ending time, so wait until then.

The Bailiff:

Well, that is your view. Very well, is the proposition to the adjournment seconded? **[Seconded]** Very well. We have heard your view, Senator. Deputy Tadier, do you wish to speak?

Deputy M. Tadier:

If the Minister thinks he can say something in 5 minutes, it might be something to reflect on overnight.

The Bailiff:

Does anyone else wish to speak? Yes, Senator Moore.

Senator K.L. Moore:

I would agree with Deputy Tadier’s comments.

The Bailiff:

Very well. Does anyone else wish to speak? Deputy Young, this is on the question of the adjournment.

Deputy J.H. Young:

Yes, Sir. I have listened very carefully today. I would very much like the opportunity to reflect. I have not spoken yet. Trying to rush this important decision through in 6 minutes is not the answer.

The Bailiff:

Does any other Member wish to speak on the question of the adjournment? Very well, did you wish to say anything in response? Very well, I ask the Greffier to put a vote into the link. The question is whether the Assembly wishes to adjourn. I ask the Greffier to open the voting and ask Members to vote. The vote is on the adjournment now until 9.30 a.m. tomorrow morning. Pour is for the adjournment. If Members have had the opportunity of casting their votes, I ask the Greffier to close the voting. The vote to adjourn has been adopted, 28 pour, 13 votes contre, one abstention in the link and a further 5 votes indicated in the chat and one on the floor of the Assembly to adjourn. Very well, the Assembly stands adjourned until 9.30 a.m. tomorrow morning.

POUR: 34		CONTRE: 13		ABSTAIN: 1
Senator I.J. Gorst		Senator S.C Ferguson		Deputy G.C.U. Guida (L)

Senator L.J. Farnham		Senator T.A. Vallois		
Senator J.A.N. Le Fondré		Senator K.L. Moore		
Senator S.Y. Mézec		Senator S.W. Pallett		
Connétable of St. St. Helier		Connétable of St. Ouen		
Connétable of St. Lawrence		Deputy of Grouville		
Connétable of St. Saviour		Deputy K.C. Lewis (S)		
Connétable of St. Brelade		Deputy M. Tadier (B)		
Connétable of Grouville		Deputy of St. Martin		
Connétable of Trinity		Deputy K.F. Morel (L)		
Connétable of St. Peter		Deputy S.M. Ahier (H)		
Connétable of St. Mary		Deputy R.J. Ward (H)		
Connétable of St. Martin		Deputy K.G. Pamplin (S)		
Connétable of St. John				
Connétable of St. Clement				
Deputy J.A. Martin (H)				
Deputy G.P. Southern (H)				
Deputy M.R. Higgins (H)				
Deputy J.M. Maçon (S)				
Deputy S.J. Pinel (C)				
Deputy of St. Ouen				
Deputy L.M.C. Doublet (S)				
Deputy R. Labey (H)				
Deputy S.M. Wickenden (H)				
Deputy of St. Mary				
Deputy G.J. Truscott (B)				
Deputy J.H. Young (B)				
Deputy L.B.E. Ash (C)				
Deputy of St. Peter				
Deputy of Trinity				
Deputy of St. John				
Deputy M.R. Le Hegarat (H)				
Deputy C.S. Alves (H)				
Deputy I. Gardiner (H)				

ADJOURNMENT

[17:28]