

STATES OF JERSEY



PROPOSED GOVERNMENT PLAN 2023 - 2026 (P.97/2022): TWENTIETH AMENDMENT (P.97/2022 AMD.(20)): COMMENTS

HOSPITAL FUNDING

**Presented to the States on 9th December 2022
by the Future Hospital Review Panel**

STATES GREFFE

COMMENTS

Background

R.154/2022 – A Review of Our Hospital Project was presented to the States Assembly by the Minister for Infrastructure on 1 November 2022. The commitment to conduct a review of the approved project to build a single site hospital at Overdale was made by the Chief Minister as part of her 100 day-plan.

The review concluded that the Overdale project should now be replaced by a phased multi-site development. If accepted the proposal would be to build at Overdale, Kensington Place and the site of the Jersey General Hospital.

On 28 November 2022 the Council of Ministers lodged an amendment to its Government Plan ([Proposed Government Plan 2023-2026 \(P.97/2022\): twentieth amendment Hospital Funding](#)) to alter the funding available for the hospital project. The effect of the amendment would be to halt further work on the approved Overdale project.

The Government's contention in bringing the amendment was that the scheme 'as proposed is not affordable'¹ and it was, therefore, seeking an alternative way forward – as laid out in its review.

The Future Hospital Review Panel was re-established in November 2022 following the presentation of R.154/2022 and in anticipation of an amendment to the Government Plan.

Given that a full outline business case has yet to be developed (and indeed is expected to be developed once the approval is received) it was deemed appropriate to examine the robustness of the review and the decision-making and governance arrangements which have led to this proposed change in policy ahead of any debate in the States Assembly.

The propositions which have previously been approved in relation to the project are:

- [P.123/2020 Our Hospital Site Selection: Overdale](#)
- [P.129/2020 Our Hospital Project: acquisition of land for the new hospital at Overdale](#)
- [P.167/2020 Our Hospital: Preferred Access Route](#)
- [P.80/2021 Our Hospital – Budget, Financing and Land Assembly](#)

Summary

The Future Hospital Scrutiny Review Panel's terms of reference for its examination of R.154/2022 (see appendix 1) focused on the methodology of the document and the value of its evidence as a basis for decision-making.

¹ [Proposed Government Plan 2023 – 2026 \(P.97/2022\): Twentieth Amendment – Hospital Funding](#)

The Scrutiny Review Panel’s central finding in conducting this work is that the clarity it sought on processes, the gathering of evidence and the detail sought in order to inform decisions is not available at this stage.

Throughout the public hearing, and in the course of correspondence with the Ministers, the Panel has heard that much of the detail being sought by the Panel would be provided at a later stage. What was required now of the States Assembly was support for a change of direction.

At the Public Hearing the Minister for Infrastructure said:

“It is a 100-day report. It is not an outline business case or a business case; it is just what it is. It is an assessment within the time available to offer some options of a different direction of travel with a recommendation. That is what it is. As we know, it is for the Assembly to take their own view on what the report suggests and to take a vote on it.”

While the Panel accepts this premise, the change of direction would effectively rescind the Our Hospital Project propositions based on:

1. The information provided in R.154/2022
2. The contention that the current project is unaffordable.

The Chief Minister made the following statement during the Panel’s Public Hearing held on 29th November 2022.

“We were updated as to the state of the project and it had exceeded the spending limit that had been agreed by the previous Assembly. So it is not a politically subjective question. It is a matter of fact that the project was no longer going to be achievable within that budget that the previous Assembly had set.”²

What R.154/2022 does not do, in the opinion of the Panel, is provide the States Assembly with the certainty and confidence that the preferred option put forward by the Council of Ministers will provide cost savings in the long term. The information which would provide this certainty will come with a business plan later next year.

It is also not clear to the Panel:

- Why the Council of Ministers has chosen to amend the Government Plan now and prior to a rescindment of P.80/2021³.
- Whether the Council of Ministers intends to bring clear rescindment to the propositions previously agreed by the States.
- How the previous project will be closed and managed within the Government’s project management framework
- How objective and inclusive the consultation process was which supports R.154/2022.

² [Transcript – Future Hospital Review Panel Public Hearing – p16](#)

³ [P.80/2021 – Our Hospital – Budget, Financing and Land Assembly](#)

The amendment to the Government Plan 2023 -2026 appears to be the first step that the Government is using to gain approval for its alternative and so it is right that Scrutiny provides informed commentary at this crucial stage.

The Panel also remains mindful of the increasingly fragile state of the Island's healthcare estate – particularly the Jersey General Hospital – and the need to minimise any further delay to providing new facilities which answer the needs of healthcare professionals and Islanders. The Minister for Infrastructure made the following statement on anticipated delays at the Panel's Public Hearing:

“All we can do is present the evidence, and that is the evidence that we are putting forward, which is that you will need the full hospital for 9 to 12 months longer than would otherwise be the case if you proceeded with the Our Hospital project and then you have a half reliance on that hospital for a further 2 years.”⁴

The Panel believes that States Members are being asked to approve a change of direction without the evidence that the alternative will provide a better and more cost-effective solution.

Whether or not to proceed with the Our Hospital Project as approved is a political decision.

The Panel's over-riding conclusion in relation to R.154/2022 is that in trying to provide an evidential base for this political decision, the Government has developed a review which raises questions about its scope and objectivity rather than providing certainty for decision-making.

Methodology and robustness

Subjectivity

The report is subtitled: ‘Advice to the Assembly about whether changes can be made to deliver a more affordable and appropriate alternative.’

“The purpose of the review was to look at alternatives. It was not to appraise the existing hospital project. It was to look at possible ways forward.”⁵

The Chief Minister said:

“It is also a matter of public record. During my election campaign I clearly said on a number of occasions that I would look for a more affordable and appropriate option for the public.”⁶

The Panel questioned the Ministers about the Terms of Reference in order to establish the basis for R.154/2022 and the objectivity of the outcome.

While other options are referenced in the review – one of which is a reduced single site option at Overdale, the report specifically excludes the current scheme due to the

⁴ [Transcript – Future Hospital Review Panel Public Hearing – p35](#)

⁵ [Transcript – Future Hospital Review Panel Public Hearing – p7](#)

⁶ [Transcript – Future Hospital Review Panel Public Hearing – p11](#)

assessment that it is unaffordable.⁷ At this point, the Panel would emphasise – in line with comments made by the Chief Minister and Treasury Minister - that the project is unaffordable within the limits set by the States Assembly rather than simply unaffordable. A choice could be made to modify the scheme to bring costs down to an affordable level.

The evidence given at the Public Hearing would suggest that the report, the consultation and the direction provided to the adviser⁸ started from the premise that the Our Hospital Project was discounted prior to the option appraisal.

Adviser

The Government appointed Alan Moore OBE TD DL BSc (Hons) FRICS as Principal Expert Adviser to its Review. The Panel also heard from the Chief Minister that Mr Moore authored the report which was then agreed and signed off by the Council of Ministers.⁹

Given the extent to which the report therefore relies on the expertise of Mr Moore the Panel had hoped that more information could be provided about how and why he was chosen to lead this piece of work. The evidence given was that Mr Moore was an individual of great experience and that availability, due to the constrained timeframe, played a role in the selection of an adviser.¹⁰

Treasury Green Book Compliance

During the Public Hearing, the Panel asked whether the Treasury and Resources Minister was confident that the review was conducted in a way that met Treasury Green Book guidance.

“No, ... you have to remember what stage we are at here. This is an independent review driven by a number of things, not least of which were all of the economic situations, the professional advice that was being received by Ministers, and coming out of the election and the 100-day commitment. We are not yet getting at that point where we will follow all of Treasury guidance.”¹¹

While the Panel accepts the premise that R.154/2022 was not intended to be a business case, the States Assembly is being asked, at this stage, to provide a direction on the evidence provided in the review and amend the Government Plan to halt a project which at this stage is backed by a more detailed business case.

Project framework

The evidence provided by the Director General, Infrastructure, Housing and Environment, was that the current scheme has been paused as a result of the review and Government would be seeking to evolve that into the new direction indicated in the report.

⁷ [R.154/2022 – A Review of the Our Hospital Project – p51](#)

⁸ [Transcript – Future Hospital Review Panel Public Hearing – p9](#)

⁹ [Transcript – Future Hospital Review Panel Public Hearing – p5](#)

¹⁰ [Transcript – Future Hospital Review Panel Public Hearing – p14](#)

¹¹ [Transcript – Future Hospital Review Panel Public Hearing – p9](#)

The Director General said that elements of the approved project specific to development at Overdale would continue and that a new project would commence early-stage feasibility work in relation to other sites.¹² As would be expected, the approved project had been further along the project framework timeline. The new project will require a step back to the redesign phases.

If the change of direction requested by the Council of Ministers is accepted, it would be helpful for Government to be clear about the relationship between the projects and how, or if, it will close the current project.

The Panel would also like greater clarity on the use of other sites, including the former Les Quennevais School – which now appears to be featuring in longer term plans for healthcare facilities – and St Saviour’s Hospital.

Decision-making and Governance

The Panel asked about the governance of the review and how key decisions were made and recorded. In response the Minister for Treasury and Resources provided a high-level overview of the groups and individuals involved but little detail on how key decisions were taken and by whom.

On 6 December 2022 the Panel received minutes of the meetings of the Our Hospital Political Oversight Group for the months of August, September, October and November.

The Panel would have liked more evidence to have been provided on the oversight of the early stages of the review and its establishment.

The structuring of the review, the lines of reporting and the moments on which key decisions were taken remains unclear to the Panel.

Consultation

Consultation is another area in which the indication has been given by Ministers that more is to come. However, the Panel was keen to find out on what basis consultation had taken place, how it had happened and what information was provided to consultees in order to gather objective feedback from them.

The evidence given by the Minister for Infrastructure would indicate that the consultation began from the position of a change in economic circumstance.

“Basically we went through a scenario where Alan [Principal Expert Adviser Alan Moore] led most of it and he explained the situation that we were now faced with, confronted with, a very big change in the economic circumstance and spoke through various possible options and proceeded to ask the people that were there what they thought of the various options and how they reacted to that.”¹³

While the report lists a number of the stakeholders who took part, including the construction industry and members of the Our Hospital Project team, and summarises

¹² [Transcript – Future Hospital Review Panel Public Hearing – p20](#)

¹³ [Transcript – Future Hospital Review Panel Public Hearing – p43](#)

comments made without attributing them to individuals, it is not clear to the Panel whether a systemic approach was taken to the consultation to gather objective feedback.

The report also states that stakeholders were not asked to declare conflicts of interest¹⁴ and when asked, the Minister for Infrastructure did not see this as a matter for concern.

*Rightly or wrongly I think we made the assumption that given that they had been involved in the previous Our Hospital project, I think almost exclusively, I do not think all of them had, and we made the assumption perhaps wrongly that that would not be a consideration; it would not be a concern.*¹⁵

It is, however, clear from the report that many of the clinicians who did take part were more supportive of the single site option, as previously agreed by the States Assembly, than a multi-site option. It is also noted that healthcare workers and clinicians have not supported previous iterations of the hospital project at Gloucester Street.

In many of the areas in which the comments of clinicians are reported, it is also stated that many accepted that the economic conditions had changed from those when the single site option was approved.

While the preference for a single site is mentioned a number of times during the report it does not appear to have weighted heavily in the options appraisals and the report's conclusions. It would also have been useful to know how prominently the opinions of the construction industry were weighted in the conclusions drawn.

The Minister for Infrastructure's evidence during the Public Hearing was that no weighted analysis or methodology had been used to conduct the review but that people had been listened to and a record made of what was said.¹⁶

The Panel noted that, in terms of consultation with healthcare professionals, a Health Workers' Panel of 15 attendees (including doctors, nurses, therapists, allied health professionals and estates workers) took place on 19th October prior to the publication of R.154/2022.

From the information provided, the largest group meeting of 79 staff (including the same staff groups as above) took place in the form of a briefing on 1st November, the same date that the report was presented, rather than as part of the consultation process in producing the report.

Basis for cost savings

While the Panel accepts the figures provided to it indicate the formerly approved single site is no longer affordable within the spending limits approved in P.80/2022, it is not confident that the same certainty can be applied to the cost savings estimates provided.

During the Public Hearing the Minister for Infrastructure pointed to the similarity in cost savings figures provided by the Government's existing cost consultant and those of the Principal Expert Advisor.

¹⁴ [R.154/2022 – A Review of the Our Hospital Project – p25](#)

¹⁵ [Transcript – Future Hospital Review Panel Public Hearing – p44](#)

¹⁶ [Transcript – Future Hospital Review Panel Public Hearing – p44](#)

“I think they were within £12 million of each other. I just point that out. I mean you wonder about the validity of it, if you have 2 different people with vast experience coming at it from different angles and they come to a relatively similar conclusion, I would say that that is reasonable evidence.”

In both the Public Hearing and the Panel’s correspondence with the Treasury Minister¹⁷ the evidence provided is that no assurance can be given that the multi-site phased project will achieve cost savings in comparison to the currently approved single site. And for the same reasons, no assurance can be given that one of the other options appraised in the report would not provide better long-term savings.

The position at this stage is that future operational costs of a multi-site option have not been assessed and further information on the detailed cost of the build will also not be available until business cases have been completed.

The report also indicates that savings of £15-30 million could be made by better use of digital technologies. The Panel asked for evidence of this saving potential and was told that further work was needed to provide better certainty on the costs that might be saved.¹⁸

Given the uncertainty around these figures, albeit based on the experience of the Principal Expert Adviser, the Panel remains unclear about the value that they bring to the States Assembly at this stage.

Amendment and next steps

In examining the timescale and the actions to be taken, the Panel has been seeking clarity around the purpose of the information gathered so far by Government and the steps it is asking the States Assembly to take next and how these decisions would be properly sequenced.

During the Panel’s public hearing the Chief Minister described a two-step process.

*“having the funding and support of the Assembly for the funding for next year is really important. But we also made it very clear that we would then bring back a proposition for the Assembly to formally adopt this as the way forward in terms of delivering healthcare facilities”.*¹⁹

This two-step process does mean that the States Assembly will not be in possession of detailed information about the proposed alternative project before it halts the funding for that which has already been approved.

Despite this questioning, it remains unclear clear to the Panel why the Government Plan has been chosen as the first step in gauging States Assembly support for the changes to the hospital project. This point was raised several times during the Public Hearing and the Chief Minister was also asked whether she would consider it to be a de facto rescindment of Overdale as a site for the hospital.

¹⁷ [Letter to the Treasury and Resources Minister](#) and [Response from the Treasury and Resources Minister](#)

¹⁸ [Response from the Treasury and Resources Minister](#)

¹⁹ [Transcript -Future Hospital Review Panel Public Hearing – p58](#)

“I would consider that the Assembly was giving us their support to progress on this project as we need to, as we have identified, particularly through Deputy Southern’s questions, we need to find a way forward that is both appropriate, affordable and would deliver us the best possible healthcare facilities for future generations.”

The evidence provided by the Chief Minister is that the second step will be for a proposition for the States Assembly to formally adopt the plan outlined in R.154/2022 as the solution for delivering healthcare facilities.²⁰

Conclusion

The evidence provided to the Panel by Ministers is that R.154/2022 is not a business case and was not intended to be.

However, it is being presented to some extent as the evidence on which to amend the current Government Plan in a way which removes the option to fund the approved single site option at Overdale.

The Panel accepts that the current project (if it was not amended to reduce its scope) would be unaffordable within the spending limits agreed in 2021, however it does not believe that the Government has yet produced the evidence to back up the conclusion that its preferred option of a multi-site phased approach would be more affordable in the short or long-term.

It is the view of the Panel that the amendment to the Government Plan should be seen in this context and that the States Assembly is being actually asked to make a political decision on a changed direction for the new hospital.

It is difficult at this stage for the Panel to provide any recommendations for future action as that will, to some extent, depend on the outcome of the debate on the Government Plan amendment.

However, it would urge the Government to be mindful of its four-year term of office and ensuring that whatever project goes forward it does move forward now and is not delayed further by the next election process.

²⁰ [Transcript -Future Hospital Review Panel Public Hearing – p58](#)

Appendix 1

Future Hospital Review Panel The 'Our Hospital Project' Review Terms of Reference

1. To examine the methodology and robustness of the 'Our Hospital Project' review and assess the decision-making processes and governance arrangements surrounding it.
2. To assess the robustness of the consultation process that was undertaken as part of the 'Our Hospital Review'.
3. To establish the basis of the cost savings identified in the 'Our Hospital Project' Review and determine the robustness of this evidence for decision making by the States Assembly.
4. To identify the timescales and next steps to be taken by Ministers in relation to the 'Our Hospital Project' and any implications that may arise for the States Assembly in relation to the Government Plan 2023-26.

Statement under Standing Order 37A [Presentation of comment relating to a proposition]

These comments were submitted to the States Greffe after the noon deadline as set out in Standing Order 37A due to the earlier scheduled date for the States sitting commencing on 12th December 2022.