

**WRITTEN QUESTION TO THE PRESIDENT OF THE ECONOMIC DEVELOPMENT COMMITTEE
BY THE DEPUTY OF ST. JOHN**

ANSWER TO BE TABLED ON TUESDAY, 21st JUNE 2005

Question

Would the President inform members whether a briefing note was provided by the Health and Social Services Committee in response to a recent application under the Regulation of Undertakings and Development (Jersey) Law 1973, as amended, relating to the development of a private hospital project, and, if so, whether the issue of a subsidy was included in the briefing note and whether this was an influencing factor in the decision making process? If it was not, would the President please provide the reasons for refusing the licence.

Answer

I can confirm that the Committee received a report from the Health and Social Services Committee concerning the proposed development of a private hospital. This report was based on a confidential report from PriceWaterhouseCoopers, commissioned by the proposed developer, and a meeting between the proposed developer and the Chief Executive Officer of the Health and Social Services Department. The Health and Social Services Committee's report did refer to a form of subsidy, which the Committee noted.

However, the Economic Development Committee, in considering this difficult and complex application under the Regulation of Undertakings and Development (Jersey) Law 1973, as amended, had regard to its policy of not granting consent in respect of a new undertaking unless it can be totally satisfied that the granting of such consent is in the Island's overall best interests. The main reason that the Committee decided to refuse this application was the demand on resources of the Island in relation to the proposed staffing of the undertaking, which would be significant, that there would be few additional employment opportunities for local people and there would be a likely need to employ a potentially significant number of non-locals. In addition, having considered evidence from the Health and Social Services Committee and the applicant, the Committee was of the opinion that increasing the supply of medical facilities would not be in the Island's best interests and that there was considerable doubt that an additional health facility would improve the efficiency of health services or contribute to a more productive workforce, as required under the Economic Growth Plan.

It was evident that there was considerable disagreement between the Health and Social Services Committee and the applicant over many issues in the business proposal and the Committee advised the applicant that it would reconsider the application if these issues were addressed.