

# Learning from Previous Hospital Projects: A Follow Up Review

15 May 2023

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# Summary

## Introduction

1. It is not unusual for the delivery of major infrastructure projects to span more than one election cycle. However, it is now over ten years since the States Assembly required the Council of Ministers to bring forward proposals for investment in hospital services, including detailed plans for a new hospital. In that time more than £130 million has been spent on various hospital projects, including on site acquisition and preparatory infrastructure, but with no construction having yet commenced on a new hospital. Almost £39 million of the expenditure incurred has been written off as abortive.
2. In November 2017 my predecessor reported on *Decision Making: Selecting a Site for the Future Hospital (March 2012 – February 2016)*. The Report identified substantial weaknesses in the decision making process, including in relation to governance, accountabilities, programme management, effective engagement and use of specialist support.
3. In February 2019, the Future Hospital Project was aborted and in May 2019 the Our Hospital Project was established. Following the 2022 election, a review of the Our Hospital Project was announced. Also referred to as the '100-day Review', it intended to:  
  
*'allow the Government of Jersey to make properly informed decisions about the future of the project; it will assess the direction of travel and consider whether there may be options to deliver a more affordable and appropriate alternative'*.
4. In November 2022 a report (R.154/2022) was published. The key findings reported were that:
  - *'a prudent risk management approach can be taken to deliver a more affordable project through a different financing model and by spreading commitment to spend over a longer period, rather than progressing a single large-scale and high-cost scheme with cost estimates for construction outside the forecasts within the Outline Business Case';* and
  - *'services can be broken over two or more sites to deliver a more appropriate service provision – to ensure that given our island context, the services delivered by Jersey's Health and Community Services continue to be delivered safely on-island but do not have the same degree of environmental or infrastructure impacts as a single-site scheme'*.

5. In December 2022, the States Assembly approved the removal of the funding allocated to the Our Hospital Project and approved funding to develop detailed feasibility studies to identify a route to delivery for a hybrid, multi-site scheme.
6. On 28 February 2023, a report (R.32/2023) was presented to the States Assembly. This introduced the New Healthcare Facilities Programme, stating it:
 

*'represents an evolution of the Our Hospital Project, leveraging the intellectual capital and project products of both the Our Hospital Overdale scheme and the Future Hospital Gloucester Street scheme, applying these to a phased approach with smaller scale delivery stages.'*
7. A summary of the timeline of events since 2012 is shown in Exhibit 1.

### Exhibit 1: Timeline of hospital projects

|  |
|--|
| <b>July 2012:</b> Future Hospital sites shortlisted: current site, Waterfront, Warwick Farm, Overdale. Ministerial Oversight Group (MOG) removes Overdale from shortlist.              |
| <b>August 2012:</b> MOG concludes Waterfront site should not be progressed.  |
| <b>September 2012:</b> MOG requests new Waterfront options be appraised.   |
| <b>October 2012:</b> Council of Ministers presents pre-feasibility report. Construction and development costs (excluding land) range from £389 million to £431million.                 |
| <b>Nov 2012:</b> Future Hospital Board (FHB) considers four sites: two Waterfront sites; 'Westmount Health Quarter'; and current site with extra land.                                 |
| <b>February 2013:</b> FHB considers affordability issues raised by the Treasurer and discusses size of hospital and whether the approach is innovative enough.                         |
| <b>June 2013:</b> MOG considers rebuild on existing site with £250 million budget and requests a detailed concept for a stand-alone first phase.                                       |
| <b>July 2013:</b> Design Champion appointed and proposes two ('dual') site option to 'meet the affordability envelope': phased construction on existing site and at Overdale.          |
| <b>September 2014:</b> MOG discusses Scrutiny report (S.R.10/2014) which concluded the States Assembly had not agreed to a dual site and it was unclear how the budget envelope arose. |
| <b>December 2014 – July 2015:</b> post-election, new MOG considers site options.   |
| <b>October 2015:</b> Council of Ministers endorses People's Park as preferred site.  |
| <b>February 2016:</b> Council of Ministers removes People's Park from shortlist.   |
| <b>2016 - 2017:</b> Consultations / plans developed for Future Hospital build at Gloucester Street.  |
| <b>January 2018 and January 2019:</b> Rejection by sequential Ministers for the Environment of planning applications to build new hospital in current location.                        |
| <b>13 February 2019:</b> States Assembly agree proposal 'Future Hospital: Rescindment of Gloucester Street as preferred site' (P.5/2019).  |
| <b>13 May 2019:</b> 'New Hospital Project: Next Steps' report presented to the States Assembly by the Chief Minister. The Our Hospital Project is launched.                            |
| <b>July 2020:</b> Design and Delivery Partner appointed. Site selection shortlist published - five sites identified, based on early functional brief and minimum ground floor area.    |
| <b>September 2020:</b> Overdale and People's Park chosen as final two locations.   |
| <b>October 2020:</b> Site Selection: Overdale (P.123/2020) lodged.   |

|   |
|---|
| <b>13 November 2020:</b> Scrutiny Report: Future Hospital Review Panel found site selection 'procedurally flawed'.  |
| <b>17 November 2020:</b> States Assembly approve Our Hospital Site Selection: Overdale (P.123/2020). Public acquisition of land also approved.  |
| <b>February 2021:</b> States Assembly approve 'Preferred Access Route' (P.167/2020). Westmount Road is preferred primary access route. Functional Brief for Our Hospital issued.  |
| <b>17 September 2021:</b> States Assembly approve 'Budget, Financing and Land Assembly' (P.80/2021) with amendments.  |
| <b>17 May 2022:</b> Minister for the Environment grants conditional approval for the new hospital at Overdale in line with independent inspector's advice.  |
| <b>September 2022:</b> 100-day Review of the Our Hospital Project begins.   |
| <b>November 2022:</b> Review Report (R.154/2022) finds Overdale 'no longer achievable in budget'.   |
| <b>12 December 2022:</b> States Assembly reject 'Our Hospital Project: Reporting' (P.109/2022) which requested a comparison between the multi-site option and the Overdale project.                                     |
| <b>14 December 2022:</b> Proposed Government Plan 2023-2026 - Twentieth Amendment (P.97/2022) approved, to alter the funding available for the hospital project, to halt further work on the approved Overdale project. |
| <b>28 February 2023:</b> States Assembly receive 'Approach to Delivering New Healthcare Facilities' (R.32/2023).  |

Source: Jersey Audit Office analysis

8. This Follow Up Review has considered whether the recommendations made in the 2017 C&AG Report have been adopted in the Our Hospital Project, the 100-day Review and the proposed arrangements for the New Healthcare Facilities Programme.

## Key findings

9. The key findings from my follow up review are as follows:
  - the States have spent £130.6 million on the Future Hospital and Our Hospital projects and of this, written off £38.6 million as abortive. The States are carrying assets in their balance sheet of £85.3 million relating to hospital projects that are currently expected to have value to the New Healthcare Facilities Programme. If this expectation changes, there may need to be further write offs in future annual accounts
  - there is currently no requirement to monitor or report breaches of and exemptions from requirements of the Public Finances Manual at project level
  - since 2017, there have continued to be significant gaps in the information and costed plans available about separate but related healthcare programmes and strategies, to ensure that the hospital can be 'right sized' from the start and sufficiently 'future proof'. As well as a lack of clarity on the ambitions for delivery of Jersey's health services, the New Healthcare Facilities Programme

has other gaps in its current understanding of capacity needs, opportunities and risks to delivery

- the governance approach established for the Our Hospital Project was strong. Through clear reporting of decisions made, it is straightforward to see how progress against the established process was managed through the governance structure for the Our Hospital Project. In addition, the Our Hospital Project established and published a set of critical success factors. There was consistency and continuity in the approach adopted. However, the Public Accounts Committee noted several findings in respect of the transparency of the Our Hospital Citizens' Panel
- there has been a lack of rigour in ensuring the Terms of Reference for the 100-day Review were fully agreed and complied with. In my opinion the 100-day Review was overly-ambitious in what it stated it would deliver. It is hard to see how the 100-day Review could have been expected to uncover new and meaningful information about the state of current healthcare facilities or future models of healthcare delivery, to help with the decision making process. The governance process for challenging the Terms of Reference for major projects, including the realism of proposed timescales, does not appear to have worked effectively in respect of the 100-day Review
- the critical success factors which were reported against in the 100-day Review cover some of the same ground as the Our Hospital Project critical success factors although the 100-day Review introduced criteria not previously identified as priorities for site option appraisal and decision making. It is not clear how the critical success factors for the 100-day Review were decided on and the appraisal process demonstrates some limitations
- some of the stakeholder meetings held during the 100-day Review did not enable comprehensive consultation about all options set out in the Terms of Reference. Rather the meetings acted more like communication meetings than open consultation
- the governance approach being proposed for the New Healthcare Facilities Programme appears to represent best practice. While the New Healthcare Facilities Programme is adopting a staged approach there are however risks in the timetable. If time is not taken in the New Healthcare Facilities Programme to properly evaluate the criteria to be used for decision making and to ensure they are properly applied, then inconsistencies like those identified in the work to date to provide Jersey with a new hospital, increase the risk of further issues and delays.

## Conclusions

10. Over the last ten years more than £130 million has been spent by the States of Jersey on various hospital projects. It is important that the key learning from the previous aborted projects is taken into the New Healthcare Facilities Programme. In particular, there should be a focus on:
  - ensuring there is clarity on the strategies and ambitions for delivery of Jersey's health services
  - effective programme management including the identification and active management and monitoring of clear and consistent critical success factors
  - a best practice approach to evaluating, monitoring and reporting on project level financial information and value for money; and
  - effective and meaningful consultation with clinicians and other stakeholders at appropriate times.

# Objectives and scope of the review

11. The review has evaluated the extent to which previous C&AG recommendations have been adopted in:
  - the Our Hospital Project
  - the 100-day Review; and
  - the proposed arrangements for the New Healthcare Facilities Programme.
12. The scope of my work has been limited to considering the areas for improvement identified in the 2017 C&AG Report *Decision Making: Selecting a Site for the Future Hospital (March 2012 - February 2016)*.
13. In addition, I have documented the expenditure by the States of Jersey and the assets acquired by the States of Jersey since 2012 with respect to new hospital facilities.
14. Decisions on major capital projects inevitably draw significant public and political interest and the investment in a new hospital is the biggest capital project ever undertaken by the States of Jersey. I have not carried out a comprehensive audit of the elements of the timeline set out at Exhibit 1. My review does not therefore extend for example to:
  - whether or where to build a new hospital
  - validating the size or clinical requirements for hospital and healthcare facilities
  - the options for financing or procuring new facilities; or
  - a detailed review of the development of future care models, clinical strategies and other policy and strategy decisions.
15. My review seeks to draw lessons from the 2017 C&AG Report and to make recommendations relevant to the New Healthcare Facilities Programme as it is being established in 2023. In doing so, I have considered:
  - expenditure and asset acquisition
  - decision making
  - risk management
  - criteria and evaluation against criteria



- consultation and communication
- expertise to support decision making; and
- recording decision making.

# Detailed findings

## Expenditure and asset acquisition

16. The need for a project to deliver a new hospital for Jersey has a long history, with consideration of where to build a new hospital commencing in 2012. Since 2013, more than £130 million has been spent by the States of Jersey on various new hospital projects. Exhibit 2 contains more details.

**Exhibit 2: Expenditure on new hospital projects since 2013**

| Year | Total funding cap approved by the States Assembly                          | Project Budget<br>£000 | Project Expenditure<br>£000 | Cumulative Expenditure<br>£000 |
|------|--|------------------------|-----------------------------|--------------------------------|
| 2013 | £297m Strategic Reserve  |                        |                             |                                |
| 2014 | £297m  | 10,114                 | 1,401                       | 1,401                          |
| 2015 | £297m  | 32,616                 | 3,166                       | 4,567                          |
| 2016 | £297m  | 29,656                 | 4,657                       | 9,224                          |
| 2017 | £466m  | 29,494                 | 15,002                      | 24,226                         |
| 2018 | Hospital Construction Fund £3.974m   | 6,045                  | 16,642                      | 40,868                         |
| 2019 | Previous Strategic Reserve rescinded<br>Hospital construction fund £9.658m | 500                    | 6,470                       | 47,339                         |
| 2020 | Hospital construction fund £(301,000)                                      | 11,696                 | 10,598                      | 57,937                         |
| 2021 | £756m  | 70,000                 | 52,219                      | 110,156                        |
| 2022 | £756m  | 85,000                 | 20,457                      | 130,613                        |

*Source: Jersey Audit Office analysis of information provided by Government of Jersey*

17. At 31 December 2022 a total of £130.6 million has been spent by the States of Jersey on the Future Hospital and Our Hospital Projects. Of this:

- £38.6 million has been written off as abortive (£27.5 million in 2018, £2.7 million in 2020 and £8.4 million in 2022)
  - £6.7 million has been recognised as revenue expenditure in the year in which the expenditure was incurred
  - £5.6 million has been recognised as additions to fixed assets; and
  - £79.7 million represents the value of the assets under construction held in the balance sheet of the States of Jersey at 31 December 2022.
18. In addition, the States of Jersey had a capital commitment of £5.6 million at 31 December 2022 relating to the Our Hospital Project that it was contractually committed to pay in 2023.
19. In total, the States of Jersey are holding £85.3 million as assets in the balance sheet of the States of Jersey at 31 December 2022 in respect of the Future Hospital and Our Hospital Projects (excluding the capital commitment of £5.6 million). This is made up of the elements shown in Exhibit 3.

**Exhibit 3: Assets relating to the Future Hospital and Our Hospital Projects held in the balance sheet at 31 December 2022**

| Project assets at 31 December 2022 |   | £000   | £000   |
|------------------------------------|---|--------|--------|
| Future Hospital Project            |   |        |        |
|                                    | Fixed asset additions   | 5,621  |        |
|                                    | Assets under construction - including fees and contracts capitalised              | 4,787  |        |
|                                    |   |        | 10,408 |
| Our Hospital Project               |   |        |        |
|                                    | Assets under construction - land and buildings acquired                           | 24,675 |        |
|                                    | Assets under construction - other assets including fees and contracts capitalised | 50,234 |        |
|                                    |   |        | 74,909 |
| Overall total                      |   |        | 85,317 |

Source: Jersey Audit Office analysis

20. Including the £5.6 million of fixed asset additions in respect of the Future Hospital Project, the States of Jersey Group are carrying £39.2 million in the balance sheet at 31 December 2022 in respect of Gloucester Street, Overdale and Kensington Place:
- Gloucester Street - £28.7 million
  - Overdale - £9.6 million; and
  - Kensington Place - £0.9 million.
21. The expenditure detailed above does not include a number of opportunity and other costs that have arisen from the delays since the States Assembly required the Council of Ministers to bring forward proposals for investment in hospital services, including detailed plans for a new hospital. In particular, the expenditure detailed above does not include costs in respect of:
- internal costs and time not specifically identified and allocated to the projects
  - additional expenditure on the maintenance of existing hospital facilities; and
  - opportunity costs of holding estate that might or might not eventually be used for hospital facilities.
22. A total of £38.6 million of cost has been written off as abortive. There is the potential for further costs to be written off as abortive in 2023 and beyond depending on the extent to which design fees and other costs incurred to date can be used to provide value to the New Healthcare Facilities Programme.
23. All projects are required to comply with the Public Finances Manual. I have reviewed the information provided by the Government of Jersey in respect of the Future Hospital Project and the Our Hospital Project on:
- procurement exemptions granted from the requirements of the Public Finances Manual; and
  - reported breaches of the Public Finances Manual in respect of procurement.
24. Based on the information provided by the Government of Jersey, I have identified:
- 16 exemptions from the requirements of the Public Finances Manual with an aggregate value of £17.2 million; and
  - eight reported breaches of the requirements of the Public Finances Manual with an aggregate value of £3.1 million.

25. Information on expenditure on the two hospital projects has been more difficult to obtain than I would have anticipated, as:
- it proved time consuming to obtain information that linked the assets recognised in the States accounts for the hospital projects to the expenditure incurred and write-offs made
  - officers were unable to confirm the completeness of information provided in respect of breaches
  - the records maintained for breaches and exemptions included a number of apparently duplicate entries. On further investigation this was due to a number of items being cancelled having had approval refused; and
  - breaches and exemptions were not always recorded and monitored at project level.

### Recommendation

- R1 Enhance arrangements for:
- recording and reporting cumulative expenditure and asset recognition for projects; and
  - capturing accurately breaches of and exemptions from the requirements of the Public Finances Manual, including explicitly recording breaches and exemptions against individual projects.

## Decision making

### Decision making stages

26. Effective decision making requires clarity throughout the process of the decision to be made. The existence of distinct stages to a project provides clarity for decision makers about the nature of the task in hand. In 2017 the C&AG recommended that the States of Jersey, in managing major projects, identify the overall process at the outset and follow that process unless there is an overriding, documented reason not to do so.
27. The Our Hospital Project established in 2019 set out at pre-feasibility stage and followed the Green Book / Royal Institute of British Architects (RIBA) processes. Criteria were set for decision making and these included establishment of priorities and critical success factors, including through significant clinical engagement.
28. Following the 2022 election, the 100-day Review was announced. The 100-day Review intended to:  
  
*'allow the Government of Jersey to make properly informed decisions about the future of the project; it will assess the direction of travel and consider whether there may be options to deliver a more affordable and appropriate alternative'.*
29. The planned structure for the 100-day Review is set out in Exhibit 4.

#### Exhibit 4: Planned structure of the 100-day Review

| Action  | Timing                               |
|---|--------------------------------------|
| Agree scope and announce review               | Week commencing 30 August 2022       |
| Collation of evidence / document review       | To 16 September 2022                 |
| Visits to Northern Ireland Hospitals          | 6 September 2022 to 9 September 2022 |
| Stakeholder interviews                        | To 19 September 2022                 |
| Report writing                                | To 30 September 2022                 |
| Quality assurance and finalise draft          | To 5 October 2022                    |
| Final report with Minister for Infrastructure | 6 October 2022                       |
| Presentation to Council of Ministers          | Early October                        |
| Present report to States Assembly             | 20 October 2022                      |

| Action                            | Timing          |
|-----------------------------------|-----------------|
| States Members and media briefing | 20 October 2022 |

Source: States of Jersey Our Hospital Project Review project plan

30. In practice, the 100-day Review took longer than planned following delays in stakeholder interviews, including due to unexpected and unavoidable external events.
31. In November 2022 the report 'A Review of The Our Hospital Project' (R.154/2022) was published. The key findings reported were that:
  - *'a prudent risk management approach can be taken to deliver a more affordable project through a different financing model and by spreading commitment to spend over a longer period, rather than progressing a single large-scale and high-cost scheme with cost estimates for construction outside the forecasts within the Outline Business Case';* and
  - *'services can be broken over two or more sites to deliver a more appropriate service provision - to ensure that given our island context, the services delivered by Jersey's Health and Community Services continue to be delivered safely on-island but do not have the same degree of environmental or infrastructure impacts as a single-site scheme'.*
32. On 28 February 2023, a report 'Approach to Delivering New Healthcare Facilities' (R.32/2023) was presented to the States Assembly. This introduced the New Healthcare Facilities Programme, stating it:
 

*'represents an evolution of the Our Hospital Project, leveraging the intellectual capital and project products of both the Our Hospital Overdale scheme and the Future Hospital Gloucester Street scheme, applying these to a phased approach with smaller scale delivery stages'.*
33. This report sets out likely stages and 2023 milestones for developing the New Healthcare Facilities Programme. Key among these are:
  - appoint Client team for feasibility studies (January - February 2023)
  - update Functional Brief (January - March 2023)
  - feasibility studies and refreshed Strategic Outline Case (May 2023)
  - Enid Quenault Health and Wellbeing Centre practical completion (July 2023)
  - Phase 1 Concept design - RIBA2 (July 2023)

- Phase 1 Outline Business Case (September 2023)
  - Lodging of Proposition for approval of funding for Phase 1 delivery and continued programme development, as part of proposed Government Plan 2024-27 (September 2023); and
  - Phase 1 Planning Application Q4 2023 (anticipated determination Q2 2024).
34. While this indicates a staged approach including, as with the Our Hospital Project, use of Green Book and RIBA equivalent processes, there are risks in the timetable. Getting a sound basis in place for the feasibility studies through consideration of new opportunities and constraints and successfully updating the Functional Brief are significant undertakings. The plan to deliver the Functional Brief by the end of March 2023 has not been achieved but the timetable has not been publicly updated.

## Decision making arrangements

### *Governance structures*

35. In 2017 the C&AG expressed concern that the arrangements put in place between 2012 and 2016 hindered effective decision making. She recommended that for all major projects, clear and effective arrangements are established at the outset for political oversight, including:
- compact and focussed groups established for political oversight; and
  - Terms of Reference for such groups that include responsibilities for reporting.
36. The C&AG recommended that clear, documented Terms of Reference, with unambiguous allocation of responsibilities and appropriate representation of all interested parties including service providers, are established and followed for Project Boards for major projects.
37. The C&AG also recommended that clear corporate responsibilities are allocated for challenging the Terms of Reference for major projects, including the realism of proposed timescales.
38. A governance approach was established for the Our Hospital Project involving a Political Oversight Group and a Senior Officer Steering Group. The Terms of Reference between these groups appeared to be well understood and the groups had clear remits. My review of agenda packs has shown that the escalation processes and communication between groups worked well and that reporting through to the Council of Ministers was undertaken as planned.



39. It is though debatable as to whether the Political Oversight Group could be considered 'compact'. Eight States Assembly Members were members of the Group.
40. Following the election, in August 2022 a new Our Hospital Project Political Oversight function was established, comprising:
  - the Chief Minister
  - the Minister for Infrastructure
  - the Minister for Health and Social Services; and
  - the Minister for Treasury and Resources.
41. The 100-day Review, launched in September 2022, set out the need for a team to undertake the work and Ministerial oversight arrangements to be established as part of its Terms of Reference. The 100-day Review Team comprised:
  - the Minister for Infrastructure (Review Team Lead)
  - the Minister for Health and Social Services
  - an Assistant Minister for Health and Social Services; and
  - an Independent Expert Adviser.
42. The 100-day Review Team was supported by the Acting Project Director for the Our Hospital Project and an Associate Managing Director, Health and Community Services (HCS) in the capacity of Clinical and Operational Adviser.
43. The Our Hospital Project Political Oversight function constituted in August 2022 oversaw the 100-day Review. A potential weakness in the decision making arrangements was that the two Ministers on the Review Team were also members of this Political Oversight function. This creates a risk that challenge to the Terms of Reference, the timescales proposed and the conclusions may be less effective.
44. A review of Minutes from the Our Hospital Project Political Oversight meetings held between August 2022 and January 2023 demonstrates that, on the occasions when any of the four Ministers was unable to attend, an alternative was not always present.
45. An agreed Terms of Reference was set out for the 100-day Review.
  - Assess the affordability of the current project in light of recent global events that have considerably altered the financial climate and fractured international supply chains.

- Consider the state of the existing hospital and associated health and care facilities, including an assessment of the measures required to ensure that they remain fit for purpose pending the delivery of new health and care facilities.
  - Consider measures currently being undertaken to improve and transform Jersey's health service during this period.
  - Examine various options from a scope, operational efficiency, cost, programme and local economic impacts perspective, including, but not limited to:
    - a scheme at Overdale
    - a scheme on the existing Gloucester Street site utilising adjacent sites, such as Kensington Place
    - opportunities for a longer-term phased development at Overdale or Gloucester Street; and
    - the opportunity to use secondary sites to complement the delivery of health and care from a primary hospital location.
46. The Terms of Reference made clear that a new site assessment process was not part of the 100-day Review.
47. However, the 100-day Review did not deal with all of its objectives to the same degree. Two areas in particular have not been covered in any meaningful way:
- an assessment of the measures required to ensure that [existing hospital facilities] remain fit for purpose pending the delivery of new health and care facilities; and
  - measures currently being undertaken to improve and transform Jersey's health service during this period.
48. It is hard to see that the way that these elements of the Terms of Reference were approached provided any new information for decision making or supported the options appraisal.
49. In a meeting with the Council of Ministers on 31 October 2022, the Independent Expert Adviser informed the Council that:
- 'when assessing the various site options, it had not been possible for the Review Team to undertake a full quantitative and qualitative analysis due to time constraints and, as such, the views expressed within the Report were acknowledged to be based on stakeholder evidence and previous experience of other capital builds.'*

50. At the same meeting, the briefing to the Council of Ministers noted that the 100-day Review had considered one further specific element, not listed in the Terms of Reference:

*'An appropriate range of health and care services for Jersey and opportunities to exploit innovation and digital methods of care delivery'.*

51. I consider that there has been a lack of rigour in ensuring that the Terms of Reference were fully agreed and complied with. The 100-day Review Report is limited in the extent to which it considers:

- the state of the existing hospital and associated health and care facilities
- measures currently being undertaken to improve and transform Jersey's healthcare service; and
- an appropriate range of health and care services for Jersey and opportunities to exploit innovation and digital methods of care delivery.

52. In the final 114 page 100-day Review Report, consideration of each of the first two elements comprised only a maximum of a page of background information. In addition, reporting on the subject of opportunities to exploit innovation and digital methods of care delivery chiefly identified work for the future.

53. In my opinion the 100-day Review was overly-ambitious in what it stated it would deliver. It is hard to see how the 100-day Review could ever have been expected to uncover new and meaningful information about the state of current healthcare facilities or future models of healthcare delivery, to help with the decision making process. The governance process for challenging the Terms of Reference for major projects, including the realism of proposed timescales, does not appear to have worked effectively in respect of the 100-day Review.

54. Governance arrangements for the New Healthcare Facilities Programme have been set out. In line with recommendation from the 2017 C&AG Report, a Ministerial Group has been established that is focussed and compact, comprising key Ministers with direct portfolio interest in the programme. Its role is stated as overseeing the delivery of new healthcare facilities for Jersey in line with the decisions of the States Assembly and the States of Jersey Common Strategic Policy and to ensure that:

- new healthcare facilities meet the needs of patients and staff within the overall strategic health policies adopted by the States Assembly; and
- delivery of fit-for-purpose, good quality, and value for money healthcare facilities commences within the Government's term of office.

55. Areas of responsibility are clearly set out:
- Chief Minister – chair ministerial group meetings and provide oversight, direction, advice
  - Minister for Infrastructure – politically responsible for the programme delivery
  - Minister for Health and Social Services and Assistant Minister for Health and Social Services – responsible for advising on clinical and operational opportunities, risks and issues, including the Functional Brief; and
  - Minister for Treasury and Resources – responsible for ensuring that designs and plans present an affordable, value for money way forward for the Island.
56. There are plans to '*seek an independent member to advise and act as a critical friend to the Ministerial Group on decision making and governance*'. If implemented, this would be a good practice approach.

### *Officer responsibilities*

57. In 2017, the C&AG emphasised the importance of:
- assigning a clear client responsibility for major capital projects to the Chief Officers of service departments, including through leadership of Project Boards; and
  - developing Accounting Officer arrangements for capital expenditure to reflect the respective and inter-related roles of the 'client' and 'client agent'<sup>1</sup>.
58. The current version of the Public Finances Manual recognises that for some projects there are both 'Sponsoring' and 'Supplying' roles and that there is a requirement for clarity of roles and accountabilities. In particular, it:
- requires that a single Accountable Officer is appointed for a major project
  - requires that where both a 'Sponsoring' and 'Supplying' body is involved in a project their respective roles should be clearly defined and agreed at the outset

<sup>1</sup> The concept of an Accounting Officer was replaced by that of an Accountable Officer by the Public Finances (Jersey) Law 2019

- requires that the Accountable Officer must appoint one or more Senior Responsible Officers to oversee the successful delivery of a project
  - permits the Accountable Officer to serve as a Senior Responsible Officer as long as this is confirmed and documented before the commencement of a project
  - requires that the appointment of Senior Responsible Officers is by letter and specifies the required contents of such a letter
  - requires that the Accountable Officer may decide to appoint both a Sponsoring Senior Responsible Officer and a Supplying Senior Responsible Officer
  - requires that the Sponsoring Senior Responsible Officer ensures the total project budget is managed in accordance with the Public Finances (Jersey) Law 2019 and takes accountability for the realisation of project benefits as set out in the business case
  - specifies in detail the respective responsibilities of the Sponsoring Senior Responsible Officer and the Supplying Senior Responsible Officer
  - emphasises the formal relationship of Senior Responsible Officer(s) to the Accountable Officer even where there are other groups involved in a project. It requires that the relationship between the Senior Responsible Officer(s) to the Accountable Officer and the associated reporting are defined in the Project Initiation Document and kept up to date; and
  - requires the Sponsoring Senior Responsible Officer to ensure that appropriate arrangements are in place to capture lessons from a project's delivery.
59. The Our Hospital Senior Officer Steering Group was set up to comply with the requirements of the Public Finances Manual. As first established it comprised:
- the Chief Executive (Chair)
  - the Chief Officer for Health and Community Services as Senior Responsible Officer for the pre-construction phase
  - the Chief Officer for Growth, Housing and Environment (later Infrastructure, Housing and Environment), to be Senior Responsible Officer for the construction phase
  - the Director General and States Treasurer; and
  - the Director of Communications.

60. The 100-day Review process identified officers, other staff and other groups and individuals as key stakeholders. A programme of engagement was undertaken and information gathered.
61. For the New Healthcare Facilities Programme, it is stated that the Senior Officer Steering Group as set up for the Our Hospital Project will continue. The role will be to oversee and direct the programme team to support the successful delivery of new healthcare facilities for Jersey. The roles and responsibilities as set out mirror the requirements of the Public Finances Manual. The:
- Chief Executive and Head of the Public Service will chair meetings and ensure that the programme has a focussed drive, in accordance with direction from the New Healthcare Facilities Ministerial Group and the Council of Ministers
  - Chief Officer, Infrastructure, Housing and Environment will act as Supplying Senior Responsible Officer under the requirements of the Public Finances Manual - the officer responsible for the delivery of the programme
  - Chief Officer, Health and Community Services will act as Accountable Officer and Sponsoring Senior Responsible Officer under the requirements of the Public Finances Manual - the officer responsible for programme expenditure, specifying the client requirements and accepting the programme products, once delivered
  - Treasurer of the States, with support from Group Director, Financial Business Partnering and Analytics will provide financial direction, oversight and advice and ensure that any investment is made in accordance with the Government's investment strategy; and
  - Director of Communications will provide strategic oversight of communications in the wider context of Government of Jersey communications activity.
62. From my review of how the Our Hospital Senior Officer Steering Group worked in practice and what lessons can be learned, my observations are that:
- the Group established the Our Hospital Clinical Director as a standing attendee. This facilitated arrangements for clinical as well as corporate governance. So far, the equivalent Group for the New Healthcare Facilities Programme does not mirror this
  - the Senior Responsible Officer for the pre-construction phase set up a Client Group. Going forward, the Sponsoring Senior Responsible Officer for the New Healthcare Facilities Programme would benefit from understanding how well this worked and responding accordingly

- good project management support to the Steering Group is evident. It has already been recognised that the increased complexity of the New Healthcare Facilities Programme should be supported through the Corporate Portfolio Management Office (CPMO); and
- throughout the Our Hospital Project, the Project Director was an interim appointment. This person left at the point that conditional planning permission was obtained for Overdale. Looking ahead, the current Project Director is in an 'acting' role. Given the importance of the project, I would expect a dedicated Project Director appointment to be made in order to mitigate against the risk of a lack of continuity hindering the ability to take the project forward at sufficient pace.

### *Change programmes and strategy development*

63. In 2017, the C&AG emphasised the importance of:
- clarity in the links between the hospital project and other wider change programmes and developing strategies; and
  - implementing effective arrangements for portfolio and programme management consistently across the States.
64. Since 2017, there have continued to be significant gaps in the information and costed plans available about separate but related healthcare programmes and strategies, to ensure that the hospital can be 'right sized' from the start and sufficiently 'future proof'.
65. The Our Hospital Project set out to ensure that the new model of healthcare which was being developed at the time would lead and inform the rationale for the new hospital and its specification. This, in turn, was intended to inform work on finances and construction.
66. In mid-2020, a Design and Delivery Partner was appointed on a Pre-Construction Service Agreement. This was before the States had established how and when health and care services were to be modernised and developed, including through the application of 'digital health' options. The lack of a clear, shared view of ambitions and how they might be realised risked there being insufficient flexibility and agility in how the Our Hospital Project progressed.
67. In November 2020 the States Assembly approved the Jersey Care Model. This was intended to change the way health and prevention services were delivered across the Health and Community Service department, primary care and the community, including the private sector. The key aims were to:

- ensure care is person-centred with a focus on prevention and self-care, for both physical and mental health
  - reduce dependency on secondary care services by expanding primary and community services, working closely with all partners in order to deliver more care in the community and at home; and
  - redesign health and community services so that they are structured to meet the current and future needs of Islanders.
68. However by the time decisions needed to be made about the hospital site and its design, there was less clarity in how changes would impact on demand and requirements than had been anticipated. Although workshops led by the Clinical Director resulted in some reconfiguration of the hospital design, overall there remained significant lack of certainty about - and confidence in - how and when 'out of hospital' care pathways would reduce the need for bed spaces.
69. In November 2022 a review of the Jersey Care Model was launched by the newly appointed Minister for Health and Social Services. This review concluded that:
- 21 of the services should carry on as they are, as they are *'providing the foundations to transforming the Jersey health and care system'*
  - a further nine should be adapted to ensure they support delivery of safe, high quality, patient-centred care
  - one of the services - the Supportive Services project - should stop as *'a similar piece of work was already being undertaken by Customer and Local Services'*; and
  - the Jersey Care Model as a term and programme would end.
70. The 100-day Review Terms of Reference stated the intent to consider measures currently being undertaken to improve and transform Jersey's health service as part of its approach to options appraisal. However, the work did not come to any conclusions. The 100-day Review Report included that:
- 'new healthcare facilities need to be flexible enough to deliver health and care services in the context of any future healthcare model'.*
71. As well as a lack of clarity on the ambitions for delivery of Jersey's health services, the New Healthcare Facilities Programme has other gaps in its current understanding of capacity needs, opportunities and risks to delivery.



72. In my report '*Deployment of Staff Resources in Health and Community Services*' (January 2023) I concluded that there were significant risks in ensuring adequate levels of clinical and medical staffing. These risks included:
- the ability to recruit and retain staff in a challenging market for health staff; and
  - the lack of a Health and Community Services workforce strategy.
73. In my January 2023 Report I also followed up on relevant recommendations made within my predecessor's 2017 *Report on Private Patient Income: Health and Social Services Department Follow Up*. The recommendations date from work first delivered in 2015. My 2023 Report found that:
- 'while a Policy on Private Patients exists, the absence of a Government private patient strategy setting out clearly agreed parameters, management information and Key Performance Indicators (KPIs) regarding private patient activity, makes implementation of the Policy difficult in practice.'*
74. Until there is a strategy in place setting out what the Government wants to achieve through private practice in healthcare, the implications of private patient care on the size and shape of the hospital and other healthcare estate cannot be factored in with any degree of certainty.

## Recommendations

- R2** Revisit the timeline proposed for the New Healthcare Facilities Programme and ensure sufficient time has been allowed for the feasibility studies proposed and the update of the Functional Brief.
- R3** Ensure that a dedicated Project Director is appointed to the New Healthcare Facilities Programme.
- R4** Ensure that effective mechanisms are put in place to review and, where appropriate, update the Functional Brief for key strategies which should inform capacity requirements as they are finalised.

## Current Work Planned that should be Prioritised

- P1** Implement plans to seek an independent member to advise and act as a critical friend to the Ministerial Group on decision making and governance for the New Hospital Facilities Programme. Ensure that the appointment process is robust and transparent.

## Area for Consideration

- A1** Consider appointing a senior and currently operational clinician to be a member of or standing attendee at the Senior Officer Steering Group for the New Healthcare Facilities Programme.

## Risk management

75. In 2017, the C&AG found no documentary evidence that the risk register or equivalent document was considered by the Project Board. Although risk was reflected in some of its deliberations, no overarching view of risks faced by the project, the effectiveness of mitigation in place and the scale and significance of residual risks was available.
76. The Our Hospital Project had strong governance arrangements, including risk management. A comprehensive risk register was maintained and routinely reported to and considered at the Senior Officer Steering Group and the Political Oversight meetings.
77. This register followed the Government of Jersey Risk Strategy requirements. It included risk assessment both before and after mitigating actions, allocated responsibilities and included timeframes. An action log was maintained and reviewed at Steering Group and Political Oversight meetings.
78. The 100-day Review did not have a specific project officer in place. Co-ordination was initially led by project officers within the Office of the Chief Executive and later involved members of the Our Hospital Project Team. The Our Hospital Project included the 100-day Review as a risk. The 100-day Review established a risk register, however this was not a 'live' document. The risk register provided for my review is incomplete:
- some entries do not have any evaluation of initial risk, mitigating actions or risk ownership
  - none of the entries includes residual risk after mitigations, review dates or a note of changes to risk; and
  - none of the entries is dated and so it cannot be seen if any new risks were evaluated.
79. As such it is unlikely to have been helpful in the management or reporting of changing and new risks throughout the process.
80. However, a 100-day Review Political Oversight meeting in October 2022 considered a 'cut down' risk register. Among these were two unmitigated 'red' risks and an 'amber' risk with mitigation documented.
81. The Review's appetite to carry these 'red' risks was not documented and there is no indication of how the Political Oversight meeting responded. The risk assessment as presented in October 2022 did not follow the comprehensive approach used in the Our Hospital Project. For example, the risks were not

assessed consistently both before and after mitigation and there was no indication of who owned the risks.

82. Within the 100-day Review Report, a Red, Amber, Green (RAG) rated table shows consideration of criteria against the site option descriptors as set out in the Terms of Reference. Entries in the table are narrative and it is not clear if or how prioritisation was established. For example, 'red' entries relating to affordability include:
- for the single-site build at Overdale: *Financing options likely to be different to OBC [Outline Business Case] owing to global economic circumstances. It is still achievable to provide funding but this would have increased impact on reserves;* and
  - for the preferred multi-site phased approach: *Operational costs are likely to be higher over more than one site and will be larger than existing owing to the ventilation and heating standards for modern healthcare facilities.* The rating does not explicitly refer to or show how it has included other aspects of affordability such as duplication of services or increased staffing costs.
83. The 100-day Review Report notes that *'the options appraisal will not be based on fully weighted quantitative measures. Such analysis would normally be undertaken to formulate a detailed business case.'*
84. Going forward, the plan as currently set out to implement the New Healthcare Facilities Programme includes that:
- the Minister and Assistant Minister for Health and Social Services are responsible for advising on clinical and operational requirements, risks and issues; and
  - the Ministerial Group will be responsible for advising the Council of Ministers about the risks associated with the delivery of the new healthcare facilities.

### Current Work Planned that should be Prioritised

- P2 Ensure a comprehensive risk register is maintained and routinely reported to and considered at the senior officer and political oversight meetings for the New Healthcare Facilities Programme.

## Criteria and evaluation against criteria

85. In 2017 the C&AG made three recommendations in respect of criteria and evaluation against criteria.
- At the outset of a project determine an appropriate evaluation model and consistently apply it unless there is an overriding, documented reason for change.
  - When undertaking an option appraisal:
    - secure informed agreement to unambiguous, weighted criteria at the outset
    - document any changes to the criteria and the reasons for them; and
    - apply the criteria consistently.
  - When undertaking an option appraisal, clearly document the reasons for decisions by reference to the agreed criteria or by explicitly recording the departure from agreed criteria and the reasons for the departure.
86. The Our Hospital Project established and published a set of critical success factors. These were developed, refined and updated throughout the project including through engagement with the Citizens' Panel, clinicians and other healthcare staff and the Senior Officer Steering Group. These critical success factors and assessments against them were presented at the Political Oversight meetings. There was consistency, iteration and continuity in this approach.
87. The scope for the 100-day Review did not refer directly to the critical success factors established by the Our Hospital Project. A reflection on whether those criteria remained relevant and sufficiently comprehensive was not included in the Terms of Reference. In my view this would have been a valuable and important approach for the 100-day Review to take.
88. The 100-day Review Report sets out that the options appraisal was based on:
- 'critical success factors outlined in HM Treasury Green Book guidance on appraisal and evaluation of policies, projects and programmes'.*
89. These are then listed as:
- Deliverability/Achievability
  - Affordability

- Suitability
  - Social Value
  - Operations
  - Capacity and Capability
  - Innovation
  - Strategic fit / meets business needs
  - Potential value for money
  - Supplier capacity and capability
  - Potential affordability; and
  - Potential achievability.
90. However, four of the 12 were not explicitly used (see Exhibit 5). A slide in a presentation to the Political Oversight meeting in October 2022 included 'Appraisal Methodology - critical success factors'. However there is no further detail and this meeting was not minuted. A presentation to the Council of Ministers later in October 2022 included a note that it was not possible to deliver a quantified 'Green Book' analysis within the timeframe.
91. The critical success factors which were reported against in the 100-day Review cover some of the same ground as the Our Hospital Project critical success factors, but:
- it is not clear why some factors map across whereas others do not; and
  - the 100-day Review introduced criteria not previously identified as priorities for site option appraisal and decision making.
92. Exhibit 5 shows how the two sets of criteria overlapped and differed.

**Exhibit 5: Comparison of the Our Hospital Project critical success factors and the 100-day Review criteria**

| OHP Critical Success Factors - as updated 8 Feb 2021  | Criteria from 100-day Review options appraisal   |
|---|--|
| 1. Does the option support the safe delivery of high-quality, efficient and effective care in the future? | <p><b>Covered in a comparable way</b> by consideration of <b>Suitability</b>:</p> <ul style="list-style-type: none"> <li>• Scope and functional brief</li> </ul> |

| OHP Critical Success Factors – as updated 8 Feb 2021  | Criteria from 100-day Review options appraisal  |
|---|---|
|   | <ul style="list-style-type: none"> <li>Clinical and operational need; and</li> <li>Clinical and operational risk.</li> </ul> <p>and <b>Social Value:</b></p> <ul style="list-style-type: none"> <li>Benefits and risks.</li> </ul>  |
| 2. Can the option deliver by the required operational date of 2026?   | <p><b>Partially covered</b> by consideration of <b>Deliverability / Achievability:</b></p> <ul style="list-style-type: none"> <li>Time (to completion).</li> </ul> <p>However, the preferred option does not meet the criteria of being operational by 2026.</p>  |
| 3. Does the option accommodate a mix of co-located clinical and supporting facilities, including mental health facilities?      | <p><b>Partially covered</b> but with different priorities. Clinical co-location was considered as part of <b>Suitability:</b></p> <ul style="list-style-type: none"> <li>Clinical and operational risk.</li> </ul> <p>However, this consideration did not maintain as a priority the co-location of physical and mental health services. Instead, in considering <b>Deliverability / Achievability</b>, the options appraisal notes:</p> <p><i>'one healthcare facilities project and predominantly one building does not resonate with the public and it is hard to get buy-in'</i></p> <p>This specifically negates a co-located outcome.</p> |
| 4. Is the option flexible enough to support the delivery of healthcare in the future?   | <p><b>Covered in a comparable way</b> by consideration of <b>Suitability:</b></p> <ul style="list-style-type: none"> <li>Scope and functional brief.</li> </ul> <p>and <b>Innovation:</b></p> <ul style="list-style-type: none"> <li>Opportunities for taking advantage of digital health care.</li> </ul>  |
| 5. Does the option offer the prospect of continuing to provide safe and effective care during the delivery of the new hospital? | <p><b>Covered in comparable way</b> by consideration of <b>Suitability:</b></p> <ul style="list-style-type: none"> <li>Clinical and operational risk.</li> </ul>  |
| 6. Does the option allow sufficient space for future expansion if required?   | <p><b>Not covered in a comparable way</b></p> <p>Preferred multi-site phased option notes ability to expand if required but this was not a selection criterion.</p>   |

| OHP Critical Success Factors – as updated 8 Feb 2021   | Criteria from 100-day Review options appraisal   |
|--|--|
| <p><b>Was removed as a Critical Success Factor for Our Hospital Project</b> site selection in February 2021.</p> <p>Instead, the project worked within a budget envelope and the Outline Business Case assessed affordability as part of the cost analysis set out in the Economic case.</p> | <p><b>Affordability:</b></p> <ul style="list-style-type: none"> <li>• Capital costs</li> <li>• Global economic circumstances and risks; and</li> <li>• Financing options.</li> </ul> <p><b>Operations:</b></p> <p>Operational costs, including revenue and staffing costs.</p> |
| <p><b>Not a Critical Success Factor for Our Hospital Project</b> site selection</p>  | <p><b>Social Value:</b></p> <ul style="list-style-type: none"> <li>• Social, economic and environmental costs, including proportionality of ancillary infrastructure.</li> </ul>   |
| <p><b>Not a Critical Success Factor for Our Hospital Project</b> site selection</p>  | <p><b>Capacity and capability:</b></p> <ul style="list-style-type: none"> <li>• Procurement and team assembly; and</li> <li>• Local involvement.</li> </ul>  |
| <p><b>Not a Critical Success Factor for Our Hospital Project</b> site selection</p>  | <p><b>Innovation:</b></p> <ul style="list-style-type: none"> <li>• Modern Methods of Construction (MMC).</li> </ul>  |

Source: Jersey Audit Office analysis of Our Hospital critical success factors / 100-day Review Report

93. It is not clear how the critical success factors for the 100-day Review were decided on, as:
- there is no explanation of how and why the original factors were varied; and
  - not all the criteria from the HM Treasury Green Book have been used in appraising options. From the perspective both of comparability with previous work and of richness of information for decision making, I would have expected to see explicit inclusion of these key areas:
    - Strategic fit / meets business needs - which might have better considered issues and risks associated with a dilapidated hospital estate, recruitment and retention and models of service delivery for both physical and mental health services; and
    - Potential value for money - which could have added important information on whole life costs, the value of a healthy Jersey population and revenue opportunities from private healthcare.



94. The appraisal process also demonstrates other limitations as:
- entries against each of the critical success factors used is often subjective, qualitative and unmeasurable
  - entries are assigned a RAG rating without there being any reference to thresholds; and
  - any weighting of the criteria is not set out.
95. The New Healthcare Facilities Programme has set out a workplan which includes:
- update Functional Brief (January - March 2023); and
  - feasibility studies and refreshed Strategic Outline Case (May 2023).
96. Criteria need to be agreed to design a Functional Brief and evaluate options. While the 100-day Review stakeholder meetings will have been helpful in shaping some of the priorities, respondents did in some cases have very different perspectives. If time is not taken to properly evaluate the criteria and to ensure they are properly applied, then inconsistencies of approach like those identified in the work to date to provide Jersey with a new hospital increase the risk of further issues and delays.

## Recommendations

- R5** Establish clear and robust criteria to underpin decision making for the New Healthcare Facilities Programme. Document targets and tolerances and any weighting against the criteria.
- R6** Clearly set out reasons for any deviation from the agreed criteria, the thresholds or the weighting and what has been done to mitigate the risks of the changes made.
- R7** While recognising that risks and opportunities in health care constantly evolve, ensure that criteria for evaluation at any point in time fairly and reasonably represent a sustainable value for money position.

## Consultation and communication

97. In 2017 the C&AG made three recommendations in respect of consultation and communication:
- For major projects, at the outset establish and secure agreement to well defined plans for both communication and consultation:
    - reflecting best practice; and
    - covering service providers, service users, other stakeholders and the wider public as appropriate
  - Ensure that communication and consultation plans:
    - focus on early, continuing and meaningful engagement with service providers, service users, other stakeholders and the wider public, including key milestones over the life of a project; and
    - place sufficient focus on continuing and meaningful consultation with service providers.
  - Ensure that all communication and consultation is undertaken in the context of communication and consultation plans, clearly specifying the purpose of engagement and, in the context of consultation, in sufficient time to influence decisions.
98. The Our Hospital Project Senior Officer Steering Group included a Director of Communications. The Group routinely considered the need for communication and consultation with clinicians and other healthcare staff, other stakeholders and the public. The project was consistent in stating that the Our Hospital Project should be clinically led. In June 2019 the project requested that a recruitment agency identify candidates to take the role of Clinical Director. Eight candidates were called to a selection panel comprising the Group Medical Director, a Medical Consultant from HCS and an independent Technical Assessor.
99. In July 2019 the Associate Professor of Surgery at Oxford University and Consultant Vascular Surgeon was appointed as Clinical Director. Over the period to the application for planning permission at Overdale, he led a programme of engagement in order to develop a 'live' functional brief for the new hospital, including through clinical user workshops. These focussed on factoring in flexibility to keep up with the evolution of modern healthcare. The workshops resulted in reconfiguration of the design.

100. The level of engagement with HCS staff as part of the Our Hospital Project was reflected in feedback gathered from stakeholders as part of the 100-day Review. The 100-day Review Report notes:
- senior clinicians and managers in HCS were extensively consulted on the current brief for the hospital and the departmental and room layouts
  - they confirmed that they were challenged during the consultation process and not all requests were necessarily incorporated; and
  - many health workers and clinicians expressed concern that they would need to further input into proposals for healthcare facilities. There was frustration that they had made significant contributions to previous proposals and there was 'little appetite to start again'.
101. In November 2019 applications were invited for membership of a Citizens' Panel to support the Our Hospital Project. The Panel's role was described as:
- 'to make sure that the views of Islanders are taken into account by the project when it looks at where the new hospital might be built.'*
102. It was further set out that the Citizens' Panel would be asked to reach a consensus view on the criteria that the Our Hospital Project Team should use to determine where the new hospital could be built - although the Panel would not be asked to give its view about where that location should be. It was intended that the Citizens' Panel's involvement would give Islanders confidence in the process, as well as give the process integrity.
103. During February and March 2020, the Citizens' Panel convened on four occasions to support the Our Hospital Project. The Citizens' Panel worked independently from the Our Hospital Project Team and with a facilitator, to establish the criteria it thought were important in determining the site for the hospital. These criteria were crystallised into a priority-sequenced list and used to help narrow down the long list of sites - which had been nominated by the public - to a shortlist.
104. Following this, it was confirmed that the Citizens' Panel would be utilised at various stages alongside a range of other consultation arrangements *'to ensure Islanders' views are taken into account throughout the programme'*.
105. However, in February 2022, the Public Accounts Committee (PAC) issued a report entitled *Use and Operation of Citizens' Panels, Assemblies and Juries in Jersey'* (PAC 1/2022). The PAC noted specific concerns with a lack of transparency regarding:
- the appointment of the Citizens' Panel's Selection Panel (Finding 25)

- the identity, background and experience of the external facilitator used for the Citizens' Panel (Finding 15)
  - Minutes of the Citizens' Panel meetings which were only published following a Freedom of Information request, but which were then significantly redacted (Finding 22); and
  - the public-facing record-keeping for the Citizens' Panel, which was not sufficient in providing an audit trail from which lessons could be learned from operating similar deliberative bodies in the future (Key Finding 14).
106. The PAC was also unclear about whether an internal or external evaluation process took place for the Citizens' Panel.
107. In January 2021 a public engagement programme was launched. Following the States' approval of Overdale as the site for Jersey's new hospital, the aim was to:
- 'establish a process to ensure that all Islanders have a voice and an opportunity to shape the proposals for the new hospital. 'Soundings' will manage community liaison and ensure all feedback and comments received from the public are appropriately responded'.*
108. The 100-day Review Team held 25 meetings with more than 60 stakeholders, the majority of meetings held over a period of three days. The stakeholders that were requested to meet with the Review Team were identified against areas including:
- Costs, funding models and confidence in current cost plans
  - Existing health estate and redevelopment vs refurbishment
  - Mental Health
  - User perspective and Functional Brief - evidence base for size and scope including comparison to other hospital builds
  - Innovation and digital health
  - Suitability and impact on emergency blue light support and patient transport
  - Infrastructure requirements - strategic level
  - Local industry perspective; and
  - Contractor perspective of deliverability and affordability.

109. Over the course of three days, the full 100-day Review Team attended meetings with individual key stakeholders as well as small groups of stakeholders focussing on the same topic.
110. In October 2022 the Independent Expert Adviser explained to the Council of Ministers that his decision making had relied heavily on stakeholder evidence alongside his previous experience of other capital builds. There are notes of each of the stakeholder meetings. The key points raised in each can in many cases be seen in the consideration of options in the 100-day Review Report. However, it is not clear how or if the stakeholders' feedback was prioritised and weighted.
111. Categorisation of feedback within the Report is not always easy to understand. For example, expert views that:
- *the existing Jersey General Hospital's infrastructure has reached its 'end of life' and is 'now at a point of failure'; and*
  - *having two sites for the acute hospital and outpatients would be very difficult to resource and would cause problems if emergencies occurred when staff were on another site*
- tended to be categorised as a 'cost' rather than a 'safety' issue. However, it is important to note that the 100-day Review was clear in its aim to assure the safety of future clinical and operational services.
112. In addition to individual and small group meetings, two larger group meetings - with the Citizens' Panel and the Health Workers' Panel - were held. These took place after a first draft report was considered. Good practice for consultation processes would ensure that the consultation is undertaken at a time when proposals are still at a formative stage, with adequate time given to consider and respond to the points raised in the consultation process.
113. In my opinion, these stakeholder meetings did not enable comprehensive consultation about all options set out in the Terms of Reference. Rather the meetings acted more like communication meetings than open consultation.
114. In February 2023 the Minister for Infrastructure stated the intention to revive the Citizens' Panel and to give members '*a significantly broader brief so that the opinions of the public may be better represented than hitherto*'.

## Recommendation

- R8** Ensure learning from the Public Accounts Committee's report *Use and Operation of Citizens' Panels, Assemblies and Juries in Jersey* and a recognised best practice approach to consultation and communication drive engagement with citizens and other stakeholders for the New Healthcare Facilities Programme.

## Expertise to support decision making

115. Securing best value from the use of consultants is not straightforward. It requires identification of the information that will be available to consultants on which to base their work, clear specification of work to be undertaken, effective procurement and strong management of consultants through to final delivery.
116. In 2017 the C&AG made three recommendations in respect of the use of expertise to support decision making.
- For major projects, develop at the outset a plan for the nature, extent and timing of engagement of external advisors focussing on both current patterns of and potential changes in patterns of service delivery and monitor delivery against that plan.
  - Prior to seeking to engage external advisors, identify and verify the extent to which information necessary to support their work is or is not available.
  - In managing major projects, implement the recommendations of the 2016 C&AG report on *Use of Consultants*.
117. In July 2020 the Our Hospital Project engaged a Design and Delivery Partner (DDP) on a Pre-Construction Service Agreement. The initial contract, worth approximately £30 million, was intended to cover the period to the end of the full planning process. The Strategic Outline Case included that engagement of a DDP relatively early in the process had led to more detailed cost information being available than would usually be available at that stage.
118. However early engagement before healthcare models and therefore capacity and shape of the hospital were clear brought other risks. This echoes the findings from my predecessor's review when data on demand and need by service area was incomplete at a time a Design Champion was engaged.
119. As part of the 100-day Review, an Independent Expert Adviser was appointed. In addition, expertise in specific areas was sought by the 100-day Review, through stakeholder meetings. These were:
- Medical /Clinical
  - Local construction
  - Digital health; and
  - Critical friend.

120. The New Healthcare Facilities Programme has already appointed advisers for the feasibility studies. One was previously an adviser on the Future Hospital Project which focussed on building the new hospital on the current Jersey General Hospital site.
121. My 2023 Audit Plan published in January 2023 includes a planned follow up review of the 2016 C&AG report on *Use of Consultants*. I will return to cover this in more detail as part of my follow up review.

## Recording decision making

122. In 2017 the C&AG expressed concern that high standards of record keeping were not consistently observed.
123. The Our Hospital Project appointed a Governance Manager. For both the Senior Manager Steering Group and Political Oversight meetings, there are clear strengths in:
- the production of agenda packs for meetings
  - ensuring effective Minutes of meetings and clarity in decisions made (for example using **APPROVED** within the text to make these easy to identify)
  - robustly covering standing items such as finances and risk management
  - maintaining a log of actions, considered and updated at each meeting; and
  - reporting and escalating issues in line with Terms of Reference.
124. The Our Hospital Project followed the RIBA 'Plan of Work' which organises the process of briefing, designing, constructing and operating building projects into eight stages. At each stage there are prescribed outcomes, core tasks and information exchanges required and approval needed to move on to the next stage. Through strong reporting of decisions made, it is straightforward to see how progress against the RIBA process was managed through the governance structure for the Our Hospital Project.
125. Following the Election in 2022, the membership of the Political Oversight function changed but the rigour of recording decisions made was maintained. Each meeting agenda followed a similar pattern to before but from August 2022 onwards also included an update on the 100-day Review. For example, in October 2022 the Independent Expert attended the Political Oversight meeting to provide an update on the status of the Review and to agree how it should be taken through Quality Assurance.
126. Updates to the Political Oversight meetings tended to be verbal until the 100-day Review Report was in draft. There was no specific project officer for the Review but a 'meetings and approvals schedule' was set up and populated to keep the Review on track. This indicated actions required, responsibilities and status for elements of the Review. A separate spreadsheet set out Council of Ministers and States Assembly briefing requirements and the plan to produce and finalise the 100-day Review Report.



127. I have been able to follow much of the decision-making process concerning what and how to report the 100-day Review, albeit sometimes only through text within email exchanges. However, there is no note of discussion or decisions made at the Political Oversight meeting in October 2022 where members were briefed on the outcome of the Review and options for reporting against the appraisal methodology. There is also no note of the discussion and the outcome of the Political Oversight meeting's consideration of the Review report between it being presented to the Council of Ministers and to the States Assembly.
128. Arrangements being established for the New Healthcare Facilities Programme already acknowledge the complexity of the work and the need for clear recording of decisions and actions and of effective reporting. The Agenda pack and Minutes for the Political Oversight function meeting on 25 January 2023 demonstrate the same strengths in approach as were the case for the Our Hospital Project.
129. I understand that it is the plan to deliver the New Healthcare Facilities Programme within the CPMO guidelines.

## Recommendation

- R9 Maintain a discipline of robust recording of key discussions and decisions made in major and strategic projects.

## Appendix One

### Audit Approach

The review approach included the following key elements:

- Review of key documents in relation to the Our Hospital Project, the Our Hospital Project Review (the 100-day Review) and the New Healthcare Facilities Programme.

The documents reviewed included:

- Six Facet Survey: Jersey General Hospital 2016
- Our Hospital Project Officer Steering Group meetings – Agenda packs including Minutes and papers submitted (2021 to date)
- Our Hospital Project Political Oversight meetings – Agenda packs including Minutes and papers submitted (2021 to date)
- Our Hospital Project Strategic Outline Case
- Pre-Construction Phase Agreement - contract between the States of Jersey and the Design and Delivery Partner
- Our Hospital Project shortlisting report
- Our Hospital Project Outline Business Case
- Functional briefs
- Hospital Maintenance Brief 2020
- Propositions: site selection, access route, budget finance and land assembly
- Overdale Planning Application – Public Inquiry, submissions and decision
- Scrutiny Report: Future Hospital Review Panel
- Review of the Jersey Care Model
- Our Hospital Project Review:
  - draft and final Terms of Reference
  - project plan

- output from stakeholder meetings
- briefings
- draft and published Review report
- Propositions and Hansard records in response to the 100-day Review report
- New Healthcare Facilities Programme Mandate
- Relevant Freedom of Information Request responses
- Annual Report and Accounts of the States of Jersey from 2013 to 2022
- Analysis of costs and assets provided by the Government of Jersey

The following people contributed information through interviews or by correspondence:

- Acting Our Hospital Project Director
- Project Manager, Office of the Chief Executive
- Head of Governance
- Head of Procurement
- Head of Group Reporting

The detailed work was undertaken by the Deputy C&AG and an affiliate engaged by the C&AG and took place between February to April 2023.

## Appendix Two

### Summary of Recommendations, Current Work Planned that should be Prioritised and Area for Consideration

#### Recommendations

- R1** Enhance arrangements for:
- recording and reporting cumulative expenditure and asset recognition for projects; and
  - capturing accurately breaches of and exemptions from the requirements of the Public Finances Manual, including explicitly recording breaches and exemptions against individual projects.
- R2** Revisit the timeline proposed for the New Healthcare Facilities Programme and ensure sufficient time has been allowed for the feasibility studies proposed and the update of the Functional Brief.
- R3** Ensure that a dedicated Project Director is appointed to the New Healthcare Facilities Programme.
- R4** Ensure that effective mechanisms are put in place to review and, where appropriate, update the Functional Brief for key strategies which should inform capacity requirements as they are finalised.
- R5** Establish clear and robust criteria to underpin decision making for the New Healthcare Facilities Programme. Document targets and tolerances and any weighting against the criteria.
- R6** Clearly set out reasons for any deviation from the agreed criteria, the thresholds or the weighting and what has been done to mitigate the risks of the changes made.
- R7** While recognising that risks and opportunities in health care constantly evolve, ensure that criteria for evaluation at any point in time fairly and reasonably represent a sustainable value for money position.
- R8** Ensure learning from the Public Accounts Committee's report *Use and Operation of Citizens' Panels, Assemblies and Juries in Jersey* and a recognised best practice approach to consultation and communication drive engagement with citizens and other stakeholders for the New Healthcare Facilities Programme.

- R9** Maintain a discipline of robust recording of key discussions and decisions made in major and strategic projects.

### **Current Work Planned that should be Prioritised**

- P1** Implement plans to seek an independent member to advise and act as a critical friend to the Ministerial Group on decision making and governance for the New Hospital Facilities Programme. Ensure that the appointment process is robust and transparent.
- P2** Ensure a comprehensive risk register is maintained and routinely reported to and considered at the senior officer and political oversight meetings for the New Healthcare Facilities Programme.

### **Area for Consideration**

- A1** Consider appointing a senior and currently operational clinician to be a member of or standing attendee at the Senior Officer Steering Group for the New Healthcare Facilities Programme.



JERSEY AUDIT OFFICE

LYNN PAMMENT

Comptroller and Auditor General

Jersey Audit Office, de Carteret House, 7 Castle Street, St Helier, Jersey JE2 3BT  
T: +44 1534 716800 E: [enquiries@jerseyauditoffice.je](mailto:enquiries@jerseyauditoffice.je) W: [www.jerseyauditoffice.je](http://www.jerseyauditoffice.je)