



Future Hospital Review Panel

R.154/2022 A Review of the Our Hospital Project

Witnesses: The Chief Minister, The Minister for Infrastructure, The Minister for Treasury and Resources, The Minister for Health and Social Services

Tuesday, 29th November 2022

Panel:

Deputy S.Y. Mézec of St. Helier South (Chair)

Deputy L.V. Feltham of St. Helier Central (Vice-Chair)

Deputy G.P. Southern of St. Helier Central

Connétable M.K. Jackson of St. Brelade

Witnesses:

Deputy K.L. Moore of St. Mary, St. Ouen and St. Peter, The Chief Minister

Deputy I.J. Gorst of St. Mary, St. Ouen and St. Peter, The Minister for Treasury and Resources

Deputy T. Binet of St. Saviour, The Minister for Infrastructure

Deputy K. Wilson of St. Clement, The Minister for Health and Social Services

Mr. A. Scate, Director General, Infrastructure, Housing and Environment

Ms. J. Hardwick, Acting Project Director, Infrastructure, Housing and Environment

Mr. A. Moore, Principal Expert Adviser

[15:49]

Deputy S.Y. Mézec of St. Helier South (Chair):

Thank you and welcome to this public hearing for the Future Hospital Review Panel, which has been newly established to follow up on the review of the Our Hospital project, which the new Government has done. Just to start off, we will do the usual round the table to introduce ourselves for the purpose of the recording. If I could just ask, when you are speaking if you could try to aim your mouth towards a microphone for the benefit of those listening. When we go round the table, if you happen to have any conflict of interest or anything like that we use that as the moment to declare it. Just to start, I am Deputy Sam Mézec, chair of the panel.

Deputy L.V. Feltham of St. Helier Central (Vice-Chair):

I am Deputy Lyndsay Feltham. I am vice-chair of the panel and for the purposes of transparency and openness I will declare that I live on Westmount Road.

Connétable M.K. Jackson of St. Brelade:

Constable Mike Jackson, panel member.

Deputy G.P. Southern of St. Helier Central:

Deputy Geoff Southern, panel member.

The Chief Minister:

Deputy Kristina Moore, Chief Minister.

The Minister for Treasury and Resources:

I am Ian Gorst, Minister for Treasury and Resources. I am not aware of any conflict that might be relevant.

The Minister for Infrastructure:

Deputy Tom Binet, Minister for Infrastructure, and to the best of my knowledge no conflict of interest.

The Minister for Health and Social Services:

Karen Wilson, Minister for Health and Social Services, and I have no conflicts. Sorry, I have a sore throat. I will try my best.

Deputy S.Y. Mézec:

Thank you, and if you have to move a microphone nearer to you then please feel free to do that, but speak as clearly as you can. There are some officers present as well. If there is a particular question of detail that an officer's input is necessary to answer our question then please can you invite them up at that moment. If they could introduce themselves at that point for the purpose of the tape, if that is necessary. Just the very final formality, there is usually a notice about how the rules of

Scrutiny work, which I am presuming you have read before and understood as you have all attended hearings before. So just to confirm that. There are a few opening questions just to establish a few things from the start. This is to Deputy Binet. Do you stand by the entire contents of the Review of Our Hospital report?

The Minister for Infrastructure:

Yes, there is nothing in there that I can consider to be out of order so, to that extent, yes.

Deputy S.Y. Mézec:

Thank you. And for the rest of the Ministers, do you also stand by the full contents of the report?

The Chief Minister:

Yes.

The Minister for Treasury and Resources:

Yes.

The Minister for Health and Social Services:

Yes.

Deputy S.Y. Mézec:

Thank you. Who actually issued the report?

The Minister for Infrastructure:

Presumably that would have been issued by me. Well, was it not signed off by ...

The Chief Minister:

Me.

Deputy S.Y. Mézec:

Who does it say on page 2 of the report issued it?

The Chief Minister:

The Minister for Infrastructure, Housing and Environment.. Right.

Deputy S.Y. Mézec:

Who is that?

The Chief Minister:

That is a good point. So it is clearly the Minister for Infrastructure.

Deputy S.Y. Mézec:

Are there any other errors in the report like that we should be aware of at this point?

The Minister for Infrastructure:

Was that an error?

Deputy S.Y. Mézec:

That title does not exist.

The Chief Minister:

Yes, it does not exist. I think that obviously is reflecting the department and its name, is it not?

Deputy S.Y. Mézec:

Indeed.

The Chief Minister:

Although there has been a change there too.

Deputy S.Y. Mézec:

Who actually wrote the report?

The Minister for Infrastructure:

It was written by a combination of people.

Deputy S.Y. Mézec:

Who does that include? Office title is fine for that.

The Minister for Infrastructure:

I do not know all of the office titles but the interim project head, the head of office and Alan Moore, principally. If I could perhaps ask the interim project leader to add something to that because there were undoubtedly other contributions.

Deputy S.Y. Mézec:

Okay, but the content of the report is ...

The Minister for Infrastructure:

The principal content is ...

The Minister for Treasury and Resources:

As with any report, as you know, officers might write the report but they are issued in the name of the Minister and the Minister is accountable for the report.

Deputy S.Y. Mézec:

Indeed. I am trying to establish whether the actual contents of the report itself were written in-house or how much of that, if any, was written by the principal adviser who you have engaged for the purposes of this review.

The Minister for Infrastructure:

I would have to draw on somebody else to give you exact percentages. Had we been asked for precise percentages beforehand we could have given you a more accurate detail but that is a difficult question to answer off the balls of our feet.

Deputy S.Y. Mézec:

If you can tell me it is a combination of people I am happy to deal with that outside. I just wanted to establish whether the whole thing was led by a particular ...

The Minister for Infrastructure:

Not all written by one person.

Deputy L.V. Feltham:

Can I just ask a supplementary to that please? Could I ask then for clarity on the sign-off process of the report and also for the Ministers present to confirm that they have read the report in its full entirety?

The Chief Minister:

Yes, as you know, the foreword has been written by the Minister for Infrastructure, who has led the project in terms of his department and office is the delivery lead, delivering on behalf of Health, and the Minister for Health and Social Services is in this case the client. But certainly I have read the report in its entirety and I am quite confident that my colleagues have done so, also, because this is a matter of real importance for us as a Council of Ministers. This report was authored by our principal adviser, who is joining us on the screen, and it went to the Council of Ministers ... the Minister for Infrastructure brought it to the Council of Ministers for their knowledge and agreement prior to it being taken to Scrutiny and then published.

Deputy L.V. Feltham:

So who had final sign-off of the report?

The Chief Minister:

The Council of Ministers had the stamp of approval because this is a cross-cutting matter. Albeit it, as I said, that the Minister for Infrastructure is the lead.

The Minister for Infrastructure:

Apologies for the title having been wrong. But, yes, in the first instance I was very comfortable with what I presented to the Council of Ministers. They then reviewed it thoroughly and discussed it, and were completely in accord that they were happy to send that forward.

Deputy S.Y. Mézec:

Handing over to Deputy Feltham for some questions on the methodology.

Deputy L.V. Feltham:

Talking about the terms of reference for the review, how was the scope for the review determined to ensure that the options were approached objectively?

The Minister for Infrastructure:

I have to say that the terms of reference, I was presented with a draft that had been prepared by the officers but I spent some time altering that to make sure that I was comfortable, and took it back to the Council and made sure that they were comfortable with it.

Deputy L.V. Feltham:

Could you describe some of the alterations that you made?

The Minister for Infrastructure:

Without a copy to hand, I do not know if you have a ... I think I can talk in general terms. It was to make it so that it was not so broad as to involve an awful lot of people and doing a lot of work that was not going to be relevant to the situation that pertains here at the moment. Is there something about which you are uncomfortable with specifically?

Deputy L.V. Feltham:

Specifically the review did not look at the Our Hospital previous option. It appears to have been discounted before the options were appraised. Is that correct?

The Minister for Infrastructure:

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.

The Chief Minister:

But if you look at the schemes at the end, it does include the single site Overdale option in its assessment. Very clearly, in fact, like table 1 on page ... it may not be page 88 in your version. But it says at the top: "Overdale - Current Approved Business Case".

Deputy L.V. Feltham:

Okay. On page 28 of the report it references that a process had started to conclude the contract with the current contractors. Does that suggest that a decision had already been made about whether or not to follow through with the previous plans?

The Chief Minister:

It was more a case of the contract being in the position that it was and a decision had been made at that point that once R.I.B.A. (Royal Institute of British Architects) 3 had been achieved as a whole, and the project had got to that point, then it was an appropriate moment to consider other options in terms of design and delivery partners.

Deputy G.P. Southern:

But surely the point of making a comparison is to have that standard in front of you and compare the options with what you started with. Is that not the case?

The Minister for Infrastructure:

It has been pointed out that that took place, and forgive me, if the Chief Minister can give you the page number, I think it is page 89. But in terms of dealing with the design and delivery partner, that is a linked issue but also a slightly separate one as well as to whether that was appropriate to continue with them or not.

Deputy S.Y. Mézec:

We will come back to that.

Deputy L.V. Feltham:

Were the reviewers told at the outset that the current Our Hospital approved project was unaffordable?

[16:00]

The Chief Minister:

Would you like to ask the reviewer because they clearly had to gather evidence and consider those costings because the costings are an extremely important part of the project?

The Minister for Infrastructure:

It is fair to say also that I think I made a public statement to that effect because that was the information we were getting from the cost team, to say that it had exceeded the envelope that had been approved by the States. I am afraid we have to probably accept that as a fact. I should imagine the external reviewer was mindful of that simply because that was a public statement that had been made prior to his appointment, I believe.

The Chief Minister:

That is true. In fact, it has become quite clear to us that the previous Government were quite aware that the costs were exceeding that which had been agreed by the States Assembly prior to the elections.

The Connétable of St. Brelade:

Can I ask who the cost team is?

The Chief Minister:

Turner & Townsend.

The Connétable of St. Brelade:

They are the cost consultants but the advice we were obviously getting from the team led by the interim project leader.

Deputy G.P. Southern:

In your foreword, Minister, you say: "... after careful consideration of the evidence presented and you have set out the roadmap for our best chance of achieving the high-quality future hospital which the Island needs, but in a way that is both affordable and achievable in the shortest possible timescales." Would you not agree that what we are talking here is a timeline, the time you required, and the cost, and that the 2 are in balance? It is all balanced.

The Minister for Infrastructure:

It is a fair statement. I hope that statement says what it was intended to is that it was our best opportunity to get something affordable in the fastest possible time.

Deputy G.P. Southern:

That is important in particular because the General Hospital, as we have it now, is fairly rapidly crumbling.

The Minister for Infrastructure:

Absolutely.

Deputy G.P. Southern:

I would argue that it is unsafe in many areas.

The Minister for Infrastructure:

I am not sure that I would agree that it is unsafe.

Deputy G.P. Southern:

Having read your own report, would you say it is safe?

The Minister for Infrastructure:

Having spoken to the head of maintenance, I have not been told that it is actually unsafe. I think it would be unsafe not to make plans to replace it, most certainly. It is a hospital of a certain age.

Deputy S.Y. Mézec:

Just to go back to the question that Deputy Feltham had asked about whether the adviser was told at the outset that the starting position was one set in stone from your side, that the original approved scheme was unaffordable. I heard from your answer that the answer to that was yes.

The Chief Minister:

Shall we let the Minister for Treasury and Resources answer that?

The Minister for Treasury and Resources:

It was quite clear when we formed as a Government, the new political oversight group was formed, that officers advised Ministers that the work that they were doing with the design and delivery partner, which ties into the question that Deputy Feltham has, was no longer deliverable within the cost envelope and it would not be possible to reach a contract price within the envelope that the States had agreed and, to that extent, you can extrapolate that when you have that evidence in front of you, which the adviser was made aware of through conversations with the political oversight group, that the Overdale Hospital indeed was not deliverable within that envelope and therefore was not affordable within that envelope.

Deputy S.Y. Mézec:

There are points in that that we will explore in later parts of this questioning. That sounds like a yes. Is it a yes?

The Minister for Infrastructure:

Can I just slightly correct something that, to the best of my memory, the first I learnt of it being unaffordable was indeed when the Minister for Treasury and Resources informed me, so I just want to put that straight for the record. That in the very first instance that was reported to me by the Minister for Treasury and Resources.

Deputy S.Y. Mézec:

Did you then pass on that view of yours to the ...?

The Minister for Infrastructure:

I seem to remember shortly after that making a ... I think I made a statement on a television report.

Deputy S.Y. Mézec:

You did, yes.

The Minister for Infrastructure:

Yes, I made that. As far as I was concerned that is a piece of information that had come to me that I thought was of interest to the public. So I make no apology for being honest with the public because that was the state of play.

Deputy S.Y. Mézec:

That is okay.

The Minister for Infrastructure:

That remains the state of play and is worse than it was.

Deputy S.Y. Mézec:

That is okay for you to say that and have that perspective but the question is: was that perspective specifically and intentionally relayed to the expert adviser in order to assist him in performing this piece of work?

The Chief Minister:

I think the expert adviser is a man of great experience and is quite capable of making up his own mind. Affordability of course is a political matter.

Deputy G.P. Southern:

Yes, indeed.

The Chief Minister:

Sorry, for cutting across the Minister for Treasury and Resources, but what we have simply set out is a point of fact, which is that the project was exceeding the spending limit that had been set by the previous Assembly. That is a fact.

Deputy S.Y. Mézec:

That is okay but it is still not answering the question. You will have had lots of conversations with the expert adviser to do your work; that is absolutely right and proper. In the course of those conversations, as you would have explored terms of reference with him and whatnot to be satisfied that you are embarking on the journey that you wanted to, did you say to him: "And part of our perspective is ..."

The Minister for Infrastructure:

I am sure that came up in the conversation. I cannot tell you specifically when and I did not make a specific point of saying that. But the adviser looks at all of the information, probably looks at some of the local press releases during the course of what was going on, and I made it very plain. If it is publicly known to 103,000 people I would be very surprised if our adviser had not picked up on it in one form or another. I also seem to remember making it plain that when I had a meeting with ... I forget the title, but somebody in the Finance Department had told me that the funding mechanism itself is badly broken and that played a part in my thinking in deciding to say what I said.

The Chief Minister:

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.

Deputy S.Y. Mézec:

We are still not completely clear whether a specific conversation, as part of the preparation for this work, involved Government saying: "Our perspective that we have arrived to, on the basis of whatever evidence or economic analysis you have done, was that you consider the current model to be unaffordable therefore that is the basis upon which you are proceeding."

The Minister for Infrastructure:

I will repeat what I said, I am certain that during the course of conversations to the project lead that I said that. Yes, I am fairly certain. It would be very difficult to say otherwise.

Deputy S.Y. Mézec:

That is a yes.

The Chief Minister:

I can direct you to page 22 of the report, if you would like, which is in the “Introduction and Scope of Report” section, which says: “The review has sought to identify where opportunities to reduce cost or increase and add value might arise. Areas of focus include, but are not limited to” and there are a series of bullet points, if that assists.

Deputy S.Y. Mézec:

Okay, but that does not answer the specific question but I think you have just answered it with a yes. It sounds like that.

The Minister for Infrastructure:

I cannot be any clearer, can I?

Deputy S.Y. Mézec:

You could by saying yes or no because it is a yes or no question.

The Minister for Infrastructure:

I am not going to say a straight yes because I cannot actually recall the specific conversation but what I am saying to you is that it is highly likely it would have been mentioned. I would be amazed if it was not.

Deputy S.Y. Mézec:

That is good enough, thank you.

The Minister for Infrastructure:

If that qualifies as a yes, then yes, it is.

Deputy S.Y. Mézec:

Thank you. Shall we return to Deputy Feltham?

Deputy L.V. Feltham:

The panel note that there is an assumption made within the review that the approved project could not be completed for a smaller budget. What consideration, if any, was given to downsizing the approved project to minimise the costs?

The Chief Minister:

That is identified in the tables, and that is certainly a matter I think that the adviser would be able to engage with you from his experienced position, if you would be happy for him to do so.

Deputy L.V. Feltham:

If he can add further clarity. I assumed that it was more than a table so it would be good to understand the methodology that the adviser used.

The Chief Minister:

There is some description within the report of that approach as well. But it is a matter for the adviser to use his experience.

The Minister for Infrastructure:

It was something that was undertaken by both the adviser and the cost consultant as well, which you will see on page 87. There is a summary.

Deputy L.V. Feltham:

Okay. How does the report itself describe the assumptions made in the model at the end of the report?

The Chief Minister:

How what?

Deputy L.V. Feltham:

How does it describe the assumptions?

The Chief Minister:

Sorry, how does what describe the assumptions?

Deputy L.V. Feltham:

What the panel have read is that there is a description that a lot of the assumptions are subjective and not objective. There is a lot of reference within the report as to the requirement for further work. There are a lot of coulds, maybes, perhaps, so how certain are you ...

The Minister for Infrastructure:

That is simply because it is what it claims to be. 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.

The Chief Minister:

But equally we have gone out to an experienced adviser, who has been able to use his considerable experience in an area, to deliver us not just an opinion but an opinion based on experience. It outlines in the report the experience of our adviser. That has been a great benefit to us, to benefit from his knowledge and clear wisdom.

Deputy L.V. Feltham:

Thank you. While we are talking about the adviser, please can you talk us through the procurement process that you went through to appoint the adviser?

The Minister for Infrastructure:

Happy to do that, but I think what I would draw your attention to is the fact that the conclusions of both the existing cost consultant and the external adviser come to reasonably similar conclusions. In terms of cost savings, 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.

Deputy L.V. Feltham:

Can we get back to the procurement please?

The Minister for Infrastructure:

Yes, 8 people were identified and of those we then went through a process of availability because in 100 days you cannot wait 98 days for somebody to become available to do the work. There were only a smaller number of people that were available in the timescale and of those it became fairly apparent to me, and to everybody else, that the selected adviser was the man for the job.

Deputy L.V. Feltham:

Okay. How were the 8 people identified?

The Minister for Infrastructure:

I think our chief executive and the office went about finding ... they were identified from various parts of the world. As I say, that is what made the availability element quite difficult. I would probably have to ask for specific further advice on that, if you wanted further details.

Deputy L.V. Feltham:

Perhaps you could provide us further details in writing outside of the hearing about that procurement process.

Deputy G.P. Southern:

Can I just go back a little to you were saying that you reduced the scope of the terms of reference, and are you particularly surprised then when 2 sets of expert advisers then come to the same conclusion? So you reduced the scope of reference.

The Minister for Infrastructure:

What I did is I made the scope a little bit more focused because what the original ...

Deputy G.P. Southern:

So you reduced it.

The Minister for Infrastructure:

To the extent that it actually eliminated anything that was not particular relevant to the situation in Jersey. As I say, we checked that through with everybody to make sure they were comfortable.

The Minister for Treasury and Resources:

The Minister has reduced the scope of the terms of reference, not the scope of the services or medical requirements so that ...

Deputy G.P. Southern:

I am not suggesting that at all.

The Minister for Treasury and Resources:

Okay, well that was the ...

Deputy G.P. Southern:

It is the terms of reference. You and I both know if you want a particular outcome, you set the terms of reference in the right way, you will get it.

The Minister for Infrastructure:

Forgive me, that assumes that I had a predetermined idea of what was required and I did not.

Deputy G.P. Southern:

You seem to have decided that it was not affordable. A political decision but nonetheless unaffordable.

The Minister for Infrastructure:

I did not seem to have decided, I was informed by the Minister for Treasury and Resources that it was outside of the funding envelope that had been approved by the Assembly.

Deputy G.P. Southern:

Which is described by the Minister for Treasury and Resources as unaffordable.

The Chief Minister:

No, it goes back to the matter of facts. You can try and put words into our mouths but the matter of fact is that 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.

Deputy G.P. Southern:

One of the options then is to go back to the States and say : “We have been caught out. Yes, we have to pay more.”

The Chief Minister:

But we had just been through an election process and the public had made it quite clear that they did not consider that this was an affordable project.

Deputy L.V. Feltham:

Given those things, what we have heard today, and the reduced scopes that the Minister has described, and considering that there are political decisions to be made, in hindsight, do you think undertaking this review was the best use of time and resource or would you have been better straightaway going for a business case based on your own preferred model?

The Chief Minister:

No, it was absolutely right to have a professional view. We are not hospital builders. We have experience from many walks of life but we are here to represent the public because that is what people have elected us to do. So when we need practical and expert advice then it is absolutely right to seek that advice. So that is what we have done.

[16:15]

The Connétable of St. Brelade:

Can I just probe a little bit into the reason for the change of tack, if you like? Was it really because of the delay perhaps through the election process and not having got a spade in the ground before the election or was it due to economic circumstances globally, which has had a deep effect everywhere?

The Minister for Treasury and Resources:

The economic circumstances changed beyond recognition from when this project started, and the idea that you are going to have one developer building one big hospital and all of the risks that that entails, and that you will carry on in the same way, even though all your professional advice, before Mr. Moore was appointed, is that you could not strike a contract with the design and delivery partner - and we will come back to that - and why that has now been stopped. Because there are good reasons for that. You could not do that. You would need to go back to the States. You have no way of delivering the contract. Contractors are saying to you that you would not go to contract in such economic turbulent times because nobody can quantify what the risk is going to be or what the inflation is going to be. So we can argue about the politics of the word “unaffordable” until the cows come home. The reality is the decisions that the States had previously made could no longer be delivered and that hospital could no longer be delivered in line with the planning permission or the permissions, so I personally stand absolutely by the Minister for Infrastructure in doing his review in the 100 days. What we now have is a review that, to my mind, with an expert, casts sufficient doubt on what can be deliverable and provides some evidence that it can be produced in a different way, mitigating risk, reducing the cost. What this report says, and what the amendment to the Government Plan is saying to States Members, is, and you are doing your review on, okay, you can either now take the next step, and this is what is required, or you can say to Ministers: “Go back, redo the existing hospital, get a new contract or even though you know that you are not going to be able to deliver it for that price, and all of those other pieces of work.” So we have that choice.

The Minister for Infrastructure:

I just would say that I do not think a crime has been committed. A pretty rapid and I think useful piece of work has been done to present to the Assembly for them to consider and make a decision upon. I cannot see that we have ... you did ask before what would have happened, why did we not just go and pursue something and produce a business case based on what we thought was appropriate. I wonder what the line of questioning would have been from you had we done so. That would have been an act of extreme arrogance. What I think we have done is hopefully provided something of a public service, in saying to you we think, acting responsibly on the public’s behalf, this is worth consideration. That is the long and the short of it.

Deputy L.V. Feltham:

Moving on to governance, can you provide some detail about the governance of the review including the minuting of key decision points, who made decisions and recommendations, and how they were made as well please?

The Minister for Infrastructure:

Could you be a little bit more specific because the recommendations that come from our principal adviser and the ones that came from the cost consultant were worked through with the cost consultant. If you can be perhaps more specific that might be helpful.

Deputy L.V. Feltham:

What governance processes did you follow? So were meetings minuted, were conflicts of interest declared, at what point were key decisions made and who made those decisions?

The Minister for Infrastructure:

Meetings were minuted but no conflict of interest ... we did not check conflict of interests with certainly the majority of people we interviewed because they were the self-same people who had been interviewed during the course of the process for the Our Hospital project. So we acted on the assumption that that had been done for that purpose. In the main, I think, almost entirely the same people that had been consulted previously.

The Minister for Treasury and Resources:

But the governance was the same governance that you would expect in any review whereby you were instructing an external adviser that happens within governments. You tend to have an oversight team, which is generally officials with oversight and working in conjunction with the external person. Then you have the political oversight group, and you have those Ministers in front of you today, and the Minister rightly, in this instance, had the external adviser, and then I think there was a quality assurance team, which were independent ... they were not all independent of government because one was a clinician from the hospital, another was a person experienced in local construction, another was advising on digital health, and then there was an independent sitting on that quality assurance team as well who had also done other independent work for government during COVID, so knew about the health side but also the economic situation.

Deputy L.V. Feltham:

As the Minister for Treasury and Resources, you are confident that the way the review was conducted meets within what you would expect under Treasury Green Book guidance?

The Minister for Treasury and Resources:

No, because we are not at that ... 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. They are the steps that we are now saying to States Members: "Look, here is the review with an experienced individual who knows about building hospitals elsewhere and thinks that you can make some adjustments and deliver this differently. It will make it affordable. Deliver it cheaper. But also largely mitigate the risks that we are now facing because of the economic environment." Then we go through all of these strategic outline cases, business cases, and we comply with all of those things.

Deputy L.V. Feltham:

One thing that you will be complying with, I assume, is the corporate portfolio project management structure of the Government of Jersey. What stage within that process are you in relation to the old hospital project, so the old Our Hospital project, and indeed this new project?

The Chief Minister:

I think that really is a technical question. I would invite perhaps the senior responsible officer to update you on that.

Deputy S.Y. Mézec:

Please remember to introduce yourself for the microphone.

Director General, Infrastructure, Housing and Environment:

Hi, Andy Scate, director general for Infrastructure, Housing and Environment. The existing Our Hospital project obviously got to a stage where the Ministers have explained to you in terms of the review. Effectively that project has been paused because of the review, and we are looking to, I guess in my language, evolve the project now into the new direction as indicated in the report.

Deputy L.V. Feltham:

You used the word "paused" and yet the contract with the old contractor has now ceased. If it became apparent within the business case for the new approach that the old approach was better would it then be possible to pick up the old project and continue with it?

Director General, Infrastructure, Housing and Environment:

Yes, it would. Just a bit of clarity on the contract. The contract about how the project is executed or delivered is a different debate about as to what the project is itself. The reason to change direction on the project in terms of who is working for us on that project, there is always scope within a project

to change contractors or to change consultants working for you within a project. It does not necessarily mean the project itself is dead or stopped because of the change of contractor or help that we employ to deliver projects.

Deputy L.V. Feltham:

Just while you are here, you are here because you are identified as senior responsible owner. Can I ask for clarity as to why the ownership of the project lies with the Infrastructure Department rather than the Health Department?

Director General, Infrastructure, Housing and Environment:

Again it is just clarity in our Public Finance Law in terms of ... I guess the client for the project, I would use the word "client" and "contractor" in that sense, but we have got a sponsor and supplier in our Public Finance Manual. So the Health Department is still the accountable officer. My colleague in Health is the lead accountable officer for the project. Effectively they receive the keys to the door and I.H.E. (Infrastructure, Housing and Environment), as a delivery department, is the supplying part of the equation in terms of making sure, putting the project into effect and delivering the project. It is just, I guess, we are the contractor and the Health Department is the client.

Deputy L.V. Feltham:

Just before you leave the table, just to round off that question, where are we ... if the recommendations within the review are accepted, where are we then sitting within the project delivery framework?

Director General, Infrastructure, Housing and Environment:

Within our framework that we operate, we would then recommence ... use the framework to start commencing various avenues of work that is indicated in the review. So we would be going into the feasibility stages. So the early stages around feasibility on whether it be Gloucester Street, Kensington Place, and obviously we are already some way in advance at Overdale. So we are probably at a later stage in that framework. But we will need to be retesting the design and what is actually delivered at Overdale. Technically, I would think in a project framework perspective, we have gone back into that feasibility redesign place ready to jump forward again.

Deputy L.V. Feltham:

Can I just check what ... because there are a number of stages within the project delivery framework, is there not?

Director General, Infrastructure, Housing and Environment:

Yes.

Deputy L.V. Feltham:

What number stage is that?

Director General, Infrastructure, Housing and Environment:

So we are probably in a low number; it is probably one or 2 because we are into redesign phases. I do not have that in front of me but it is probably about number 2 in the framework; 7 being completed and reviewed and delivered sort of thing.

Deputy L.V. Feltham:

The old project, what stage was that at?

Director General, Infrastructure, Housing and Environment:

I would say that we had probably got to about 3. We were not into the stage to contract it at that stage. We had got to a detailed design stage, R.I.B.A. 3 stage, in that project. The next stage would have been going into technical design and then going into contract. We were at a more advanced stage than obviously we are with the 2 sites now but we have to take a step back, redesign and then jump forward again. The hope is obviously to reuse the information we have gleaned and we have produced already for the Our Hospital project to enable that to happen more quickly.

The Connétable of St. Brelade:

Can I just pick up a couple of points? In sort of words of few syllables, if you like, we have done a rain-check on the project; fair enough. Health is the client and I should imagine telling us what they want inside the box which Infrastructure are building. I mean very simple. Has the client changed the parameters of what is required within this development?

Director General, Infrastructure, Housing and Environment:

I think that is the next important to stage, to talk with our Health colleagues as to what we think should be where and what the Health Department specifically wants to see where, to meet their needs. The overall health needs are still there. We are still very clear that we need new facilities. The job in hand now is to work out in a simple analogy what cards we deal into what pile.

Deputy S.Y. Mézec:

Some questions on the financing now. Hopefully you will be able to get some of these fairly quickly. What is the proposed capital cost of the new preferred option?

The Minister for Treasury and Resources:

Chair, of course you know that we cannot answer those questions because this is a review that says that ... and again we have the expert on the line but we do not seem to be turning to him, but that is fine. This is a review that looked at what was previously proposed and, in the independent reviewer's expert opinion, it says there are probably around 4 areas where savings could be made, which could take the number down to £625 million. But really you have sent me a letter asking a lot of questions about numbers, you are going to ask them to me now but it is that ... no, because it is that detailed work that now needs to be done. So we either say, okay, we have a report that has been expert-led, vast experience, he says: "Looking at this project, you can deliver it mitigating risk and saving money" but we do not have all of the detailed numbers that you are going to ask us about. We have those 4 areas where the reviewer believes substantial savings can be made, and we will not have those numbers until we have gone, again, to that next stage and done more detailed work on it.

Deputy S.Y. Mézec:

Okay, the summary on page 112 of the report which lays it out from the report's perspective very helpfully, says: "Option 4 has been found to have the lowest in capital cost from £635 million" so you are saying that is a very, very early estimate which you are not prepared to say you think that will be the capital cost?

The Minister for Treasury and Resources:

Why would I say to you that what I think is important, what is important is what the independent expert, who supported the Minister on the review, has said about where substantial savings can be made.

[16:30]

Based not on what I think or a political statement about affordability, based on his years of experience of building hospitals in some very different circumstances, but circumstances like the Overdale project or circumstances like a phased project. So I think it is appropriate to move forward on that basis.

Deputy S.Y. Mézec:

At some point the Assembly will have its say in one form or another on this and, at this moment in time, we have a report before us that says at this point the finding is that the preferred option which you are seeking to proceed with has a capital cost of £635 million. Is that the basis upon which further work is proceeding?

The Minister for Treasury and Resources:

Yes, it is.

Deputy S.Y. Mézec:

What does it say is the proposed saving compared to the approved project?

The Minister for Infrastructure:

I think if you look at the 2 different cost comparisons, the saving on average between the 2 is about £126 million. It depends which one you look at. If you take the most exceptional it is £170 million.

The Chief Minister:

It is up to but also that figure has been described as being very conservative.

Deputy G.P. Southern:

Conservative in terms of savings?

Deputy S.Y. Mézec:

What is that a saving compared to?

The Minister for Infrastructure:

That is on a like-for-like basis. If you looked at the programme that we have got passed, and the cost of that would be now, this is a costing based against that on a like for like, not taking inflation into account for either scheme.

Deputy S.Y. Mézec:

So if I add £170 million to the £635 we get £805 million, so am I right to judge that as being a comparison to what had been the theoretical or otherwise approved figure for the previous scheme?

The Minister for Infrastructure:

Safe to say.

The Chief Minister:

Would you like the adviser to talk you through his approach to costing the project and the various options? Would you find it helpful?

Deputy S.Y. Mézec:

I want to try it with the Ministers first because we are the political decision-makers, so let us see where we go. Because I have a line of questions to follow on from that. What we have before us is a line that says: "Option 4 has been found to have the lowest in capital cost from £635 million and a potential saving of up to £170 million on the basis of the costs in the outline business case" from

summer last year. You have used the words like for like when describing that. What is in that £635 million figure that was not in the £805 million figure, if anything?

The Chief Minister:

I think the description that is provided in the body of the report identifies how the 2 projects differ. So that gives an indication. The Overdale option single site is a very large single building. It needed a significant amount of work to be done to make Westmount Road accessible, particularly to blue light services. Also it included the purchase of a number of properties in the area of that site in order to build the project.

Deputy S.Y. Mézec:

To test that further, so the £635 million figure presumably would not include the Westmount Road changes because they would be unnecessary in that case. So we can say that that is something that is not included. That is logical, that follows then. The issue was raised in the States Assembly last week about whether this figure included things like client contingency, optimism bias, et cetera. So just to confirm, because we did have some back and forward in the States on that, that does not include that, does it?

The Minister for Treasury and Resources:

It is slightly nuanced, and I do not know if one of the team want to come and speak to it. Because of the way that the savings were calculated or potential savings were calculated, I understand that there are some contingencies and optimism bias in there but you need the experts to come and just explain entirely. Being cautious, we need to be careful not to try and say in advance exactly what the overall envelope will be because one of the learning experiences from the previous project was you say an envelope, the contractor comes in with the envelope and then, in a difficult economic climate before you know where you are, not only has the envelope been spent but there is another £150 million been put on top of it.

The Chief Minister:

As you identified, the 2 figures add up to £804 million, which was the figure including optimism bias contingency, et cetera, for the previous project and, therefore, we have walked you through how cost savings from a very high-level perspective have been made. Again, I would suggest that perhaps you hear from the adviser who can give you much greater depth of knowledge on that point.

The Connétable of St. Brelade:

Sorry, can I just come in a little bit on that point? Bearing in mind that in the previous Scrutiny process there was considerable concern over the contingency optimism bias figures, I am just wondering with the proposed new method of construction which may be reduced into smaller parts

and done perhaps more locally, will that stimulate the need for a lower contingency of lower optimism bias, do you think?

The Minister for Infrastructure:

I think that is normally done on a percentage basis but I stand to be corrected because this is not my normal activity and that sort of thing I would not advise on.

The Connétable of St. Brelade:

It is based on risk, is it not? It seems to be that the reason you probably tried to bring it more on-Island, if I can identify it as that, is to reduce to the risk as has been indicated in the report.

The Minister for Infrastructure:

I think that would be a reasonable assumption but I would not be prepared to confirm that because, as I say, it is not something that I am qualified to make a statement on.

The Connétable of St. Brelade:

Would the adviser speak for that?

The Minister for Infrastructure:

Yes. I am sure, yes.

Deputy S.Y. Mézec:

If you want to deal with that now, then that is okay.

The Connétable of St. Brelade:

Contingency and optimism bias, Alan. What is your view on that with the proposed reduced scale, shall we say, of the development? How will that change?

Principal Expert Adviser:

Can you hear me okay? In terms of before, it included contingency and an optimism bias. When I used as that as a base comparator to reduce, there was a proportionate reduction also in contingency associated with that to get to the figure that I came up with, the 65 figure. In addition on page 88, the Turner & Townsend costs which we identified as 6,464, they are coming to what I was proposing, does include contingency. I hope that helps.

The Connétable of St. Brelade:

Thank you very much.

Deputy S.Y. Mézec:

Thank you. Can I pose these to the Ministers in the first instance but then we may come back to Mr Moore, if that is okay? So I am just going back to this £365 million figure for the capital costs that is on page 112 of this report and the £170 million savings to work out how much of a like-for-like basis comparison that is. In that capital cost for £636 million, is that including things like ... there was some back and forth in the States about the mental health centre so can we just confirm whether or not that figure includes that?

The Chief Minister:

Yes.

Deputy S.Y. Mézec:

Okay. Do you have any ballpark of what proportion of that that might be?

The Minister for Infrastructure:

No.

Deputy S.Y. Mézec:

Okay. Does it include the Knowledge Centre that was in the Overdale one? That does include that, okay. Any idea?

The Minister for Infrastructure:

A Knowledge Centre of some description.

Deputy S.Y. Mézec:

Some description, okay. In the figures, up to £170 million savings is what that says. Does that include things like the compensation for the Kensington Place site?

The Minister for Infrastructure:

As I understand it, the intention at the moment is to buy back the Kensington Place site for market value which would then cover the ... you can use the word "compensation". It is cost replacement, in fact. There is not compensation over and above the costs incurred so it is payment for the costs incurred by the contractor.

Deputy S.Y. Mézec:

Does that drawdown then that £170 million, in your view?

The Minister for Infrastructure:

That, I believe, would be covered.

Deputy S.Y. Mézec:

Okay. Chief Minister, you look like you were about to say something.

The Chief Minister:

You carry on with your line of questioning. I am ready and waiting.

Deputy S.Y. Mézec:

Okay, interesting.

The Chief Minister:

Okay, would you like me to talk a little bit about reducing the costs? The basic point is, if you refer back to the previous Future Hospital Review Panels report which it published on the outline business case using, again, expert advice, one of its recommendations that has been identified is that in the outline business case, the scale and size of the project was not properly justified, going back to your Treasury Green Book, Deputy. You can see in table 1 on page 88 the differences in potential areas of the building and of course many building projects are costed by their size and so that is priced per square metre. That of course will have an impact on the overall cost of the project.

Deputy G.P. Southern:

Basically, a decision was made to build smaller. If you want to save money, then build it smaller. You will save money.

The Chief Minister:

That is clearly identified as Overdale, reduced which is one of the options that the adviser considered.

Deputy L.V. Feltham:

Going back to the Treasury Green Book which, in my understanding, is that you would compare the business as usual which, in this instance, would be the old Our Hospital project on a like-for-like basis with the other options. When will we see that like-for-like comparison figure? Will we see that in the business case?

The Minister for Infrastructure:

That, I think, would be the business case rather than the outline business case.

The Chief Minister:

I think the Treasury Green Book outlines exactly at which point in a project those things have to be done, does it not?

The Minister for Treasury and Resources:

Yes, and whether it is necessary or not. We remind ourselves of course, moving from the previous situation to the Overdale situation, there was not a like-for-like business case undertaken because of the overall project change. So we will need to, as we move through 2023, see whether that is necessary or not. As a member asked earlier, it is about the services as well as the delivery of the project.

The Connétable of St. Brelade:

Can I just explore a little bit the discussion about reducing size? I am going back to the specification of the client and the Health Department. Maybe the Minister for Health and Social Services can comment on whether it is possible to reduce the size and what the consequences of that might be from a health point of view.

The Minister for Health and Social Services:

Well, I think the issue is that you can fit anything into any size building and I think if you are going to draw comparisons to what was in a bigger building, then obviously, we would have to revisit what was possible to go into a smaller building. I think what this proposal has indicated is that we are 2 years on and the model of service and the model of care has changed over time. I think it gives us an opportunity to inform the Infrastructure Department what the requirements will be going forward. It could look very differently. It could be the same but on a reduced size and, as yet, we have not done the modelling around that to be able to give you that comprehensive detail. That would be something that would be worked through as part of the O.B.C. (outline business case).

The Connétable of St. Brelade:

There seems to be quite an urgent bit of work to be done on that.

The Minister for Health and Social Services:

There is and I think the most important thing is that the pattern of service in terms of the quantum of what we want to deliver for Islanders is reflected in the design in a way that is affordable and it is achievable.

The Connétable of St. Brelade:

Thank you.

Deputy S.Y. Mézec:

This can be for Mr. Moore, if he thinks he can provide clarity on this one. Again, of those options addressed in the summary, options 1A and 1B are Overdale type options and they refer to a potential saving of up to £120 million and a potential saving of up to £100 million. Chief Minister, you previously described the saving of up to £170 million for option 4 as being conservative. Is the £120 million for 1B and £100 million for 1A also conservative?

The Chief Minister:

Well, the same person who gave me that description is the same person who would have worked on those costings so I imagine that they would have operated under the same basis.

[16:45]

Deputy S.Y. Mézec:

Okay, and just to clarify again and hand over to Mr. Moore if he can provide greater clarity on this, within these potential savings figures that are outlined here, that includes things like modern methods of construction, digital and those kind of things. Are those also calculated into option 1A and option 1B? I can see the adviser nodding his head for the benefit of the transcript. That is a concise answer which is fine.

Deputy G.P. Southern:

Yes, I can come in there. Does this savings figure take into account extra costs from running Jersey General Hospital for longer?

The Chief Minister:

I think that has been identified as being a £5 million-a-year cost or thereabouts to maintain a safe operational hospital.

Deputy G.P. Southern:

The key there is the use of the word "safe".

Deputy S.Y. Mézec:

Just to be absolutely clear on the question that Deputy Southern has just asked then, is that extra spend for running Jersey General Hospital for longer factored into these figures that we are being given here?

The Chief Minister:

Well, if I may on that one, I can refer you back again to the previous Future Hospital Review Panel report which identified that the revenue costs of the Overdale, a single site option, had not been

worked up. So you would be comparing something to nothing because those figures have never been provided.

Deputy S.Y. Mézec:

I am not sure that is the comparison I am getting at in that. With the current improvement scheme, if that were to go ahead, there is a timescale in place for that and we know how much we would have to spend on maintaining the current hospital while that goes on. That is the point to compare against. With option 4, there would be a longer period there, in parts anyway, so there presumably will be a greater cost compared to the cost of going ahead with Overdale. So I am not comparing to what an Overdale Hospital would be if it were completed but for the current hospital.

The Minister for Infrastructure:

That is a fair point and the straight answer to your question is I do not think the extra money required to run the hospital for that period of time would have been included in these numbers. I stand to be corrected but I do not think they are. It is just worth making the point that phase 1, if this goes ahead, would be that Overdale would probably open between 9 and 12 months later than the Our Hospital project would have opened because that has already been significantly delayed for reasons of their own. Whereupon a good part of the General Hospital would be decanted anyway so your operating costs for the remainder of the hospital would go down. So you are looking at probably another year at full operating cost and another possibly 18 months to 2 years at a half operating cost.

Deputy S.Y. Mézec:

Thank you. That was helpful.

The Minister for Infrastructure:

I think that puts it roughly in perspective. As I say, I do stand to be corrected on that but that should be about right.

Deputy G.P. Southern:

We have seen this before in presentations that have taken place where you predict that the costs of running the General Hospital decrease with time, and I would argue that the state of the place will get worse and it will cost you more. You can expect to see those costs go up rather than down.

The Minister for Infrastructure:

The point I would make is that half of the existing hospital would be vacated and it is highly likely that the parts that would be vacated would be specifically, I would imagine, the Victorian block which is probably the most vulnerable of the lot and possibly the Gwyneth Huelin Wing. So you would probably be left with the most modern part of the hospital. That is a supposition on my part, but I

would say it is a fairly safe supposition, so you would be maintaining about 50 per cent of the existing building.

Deputy G.P. Southern:

It may be the most modern but it would be crumbling by then.

The Minister for Infrastructure:

Well, I do not think the building will physically be crumbling. I think the main problem that we have is the mechanical and electrical fitments and some of that would need replacing.

Deputy G.P. Southern:

We are going to go into what is wrong.

The Minister for Infrastructure:

It would be a phase where you probably would have 9 to 12 months of operating costs for a full hospital.

Deputy G.P. Southern:

The figures I have, in 2019, a master condition survey was undertaken and identified £83 million to upgrade as far as possible existing infrastructure and it then goes on to say: "It is absolutely imperative that the existing Jersey General Hospital site infrastructure at Gloucester Street remains safe while the various developments are constructed. To this end, additional funding should be made readily available to utilise in the event that this is required." That is your report. £83 million.

The Minister for Infrastructure:

That commitment has been made. I do not think we need £83 million to take it to the end of the sequence.

Deputy G.P. Southern:

You hope you do not need to the end of the sequence.

The Minister for Infrastructure:

We can only go on the information that is offered to us by the people who maintain the hospital, and they know much more about it than I do.

The Connétable of St. Brelade:

Can I just interject quickly? In terms of the Energy Centre, it is my understanding around 2019, a new Energy Centre was required at significant cost. Was that ever implemented?

The Minister for Infrastructure:

That I do not know.

Deputy G.P. Southern:

I do not know but I think it is still running on the old stock.

The Connétable of St. Brelade:

I was just wondering if any of the officers ... it was not implemented. So that was something like £20 million I think, which was a fair chunk of money at the time, so that is pretty urgent, I take it?

The Minister for Infrastructure:

One of the priorities on Kensington Place would be to redesign and relocate the Energy Centre anyway, so it would have to be the first piece of work that went on as preparatory works because that Energy Centre currently sits in the middle of the site. So before you get on to doing any ground work, say, you would need that to be redesigned. If this gets passed through the Assembly, in terms of Kensington Place, I think that that would be one of the first pieces of work that has to be undertaken.

The Chief Minister:

I think it is worth reminding you, as the Minister just said at the beginning of that answer, the Our Hospital project was already running over time and so there will be a very small amount of difference in terms of the final delivery.

Deputy G.P. Southern:

If we were to start now - and I am turning to table 1 which you have already referred to - we have talked about how long it is going to take to get things up and running. Just reading down the column, we have, very simply, 4 years, 5 years, 6 years, 6 years, 6 years, 9 years in the various options. The quickest way to deliver something and it is, again, this balance between the spend and the time so you do not have to spend the £83 million propping something up ...

The Minister for Infrastructure:

I do not think it will be £83 million. That is not what we have been told at this point in time.

Deputy G.P. Southern:

... if you are building on a short timescale. So there is an advantage in going for 4 years from start to finish and it is up and running to 5, 6, 7 or 9.

The Minister for Infrastructure:

We have already made the statement that you would be very hard pressed to build it within the 4 years that was stated originally because there are a number of things that were not taken properly into account, in my view.

Deputy G.P. Southern:

Would it be harder to build it within 5 years on a similar option?

The Minister for Infrastructure:

Sorry?

Deputy G.P. Southern:

One of the options is if it takes 5 years for that, it would be harder to build as well.

The Minister for Infrastructure:

Sorry, I am confused by the question.

Deputy G.P. Southern:

You said it will be harder to build now on the 4-year basis. I am just saying the 5-year basis which is in there ...

The Minister for Infrastructure:

What I am saying is the original delivery time for Our Hospital project has already been exceeded so it would take longer to build than was first anticipated.

Deputy G.P. Southern:

Does that statement apply to the options as well? We have not started any of them.

The Minister for Infrastructure:

That statement on the options appears in the table. Sorry, I cannot find the exact page but the table there states what the options are for the new project.

Deputy S.Y. Mézec:

Deputy Feltham wants to ask a question.

Deputy L.V. Feltham:

I just wanted to clarify at this point what you are looking to deliver. Reading through the document, it still remains unclear for me whether you are planning to deliver a refurbished extended hospital or a new hospital.

The Minister for Infrastructure:

No refurbishments at all. At the end of the day, that is not strictly correct. We are looking at Les Quennevais as being a refurbishment but in terms of the 2 principal hospital sites, they would be all new build.

Deputy L.V. Feltham:

New build, okay.

The Minister for Infrastructure:

They would all be new build at the end of the project, yes.

Deputy S.Y. Mézec:

Does that mean that the old Victorian building would not be part of that?

The Minister for Infrastructure:

There are no plans for that to be part of it.

Deputy S.Y. Mézec:

Thank you. Just to clarify, thank you.

The Minister for Infrastructure:

Yes, and I think that is probably very wise.

Deputy L.V. Feltham:

Just to refer back to Deputy Southern's questioning, on page 86 of the document which is a conclusion around the current hospital state, it says: "There is a clear acknowledgement from all that a new hospital is urgently required for the Island." It goes on to say that: "Any further unplanned delay in achieving that goal will undoubtedly impact on the existing hospital buildings by increasing risk, clinical services provided, its staff and, ultimately, its patient safety." How has that been weighed up within the analysis of options?

The Minister for Infrastructure:

The extent to which you would be relying on the hospital is probably 9 to 12 months in terms of total risk and so one has to make that evaluation oneself and the Assembly will have to make that

decision. 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.

Deputy L.V. Feltham:

Is that timing estimate based on after the contract had ceased? If the works had continued post-election as they were previously planned, where would ...

The Chief Minister:

We would be in exactly the same place because we would be going out now to look for a design delivery partner.

The Minister for Infrastructure:

Yes, and it has to be said that we continued the process up to R.I.B.A. stage 3 so we have only started losing time since that completion. Correct me if I am wrong. I think it was the end of September so we have lost sort of 6 to 7 weeks only. It did not all come to a crashing end on the day of the election. Everything ran in accordance with the plan up until I believe the end of September when R.I.B.A. stage 3 was completed and the contract was signed off.

The Minister for Treasury and Resources:

The delivery partner could not have delivered a contract to the States within the budget, within the approvals or within the timescale of what was previously planned. So there is an element of time period now in 2023 where it is absolutely right to do this review. Whoever is in Government and whatever view there is about whether we should push on with the existing proposal, they could not now deliver it to the timescale that was previously envisaged because of all the reasons that professionals have explained to Ministers.

Deputy G.P. Southern:

Can I come back with a lengthy speech now? Can I just draw members' attention to page 76 where it says in discussing the risk to patients the need for substantial works on the hospital site as is? "The upgrade works programme will not in itself provide a step change to the delivery of healthcare services. Its absence or structural underfunding will however perpetuate and accelerate a decline in acceptable quality of service provision ultimately increasing clinical risk to patients." Does the Chief Minister accept that? Does the Minister accept that there is an increased risk prevalent in maintaining the current structure of the Jersey Hospital?

The Chief Minister:

Well, thank you for reading out that part of the report and I think it just serves to demonstrate how clear and pragmatic the report is. That is the situation that we are facing with whatever project, and I think the Minister has outlined not once but twice during his evidence the change of tack in terms of the delivery of a dual site option as opposed to the single site option at the moment which is considered to delay the final completion of the project by a matter of 9 to 12 months.

Deputy G.P. Southern:

Meaning that there is no increase in risk? We are not going to hold that hospital ...

The Chief Minister:

Meaning that we are aware of the risks and the need to deliver a hospital and healthcare facilities for Islanders but we want to get it right and that it is not just right for this generation but for future generations as well.

Deputy G.P. Southern:

We are going to take more time doing it which means that the risks will grow and not fade.

The Minister for Infrastructure:

It depends on how they are managed, I would say, to a large extent and we are making it clear that those risks will be 9 to 12 months for 50 per cent of the hospital and a further 2 years for the remainder. As I have said before, this is a recommendation and that will be a decision for the Assembly.

Deputy G.P. Southern:

That will release the £83 million before that, will it?

The Minister for Infrastructure:

As I have said, in discussions that we have had with the maintenance team, I do not believe we are looking at £83 million for that.

Deputy G.P. Southern:

All right, can you bear with me?

The Minister for Infrastructure:

I would make the point again that for 4½ of those years those maintenance costs are going to have to be ... you are presenting this as though we go for the Our Hospital project and we save £86 million. We do not. The build of whatever is required is going to be required in any event whether we turn left or right at this juncture. The bulk of that money is going to be required to keep the hospital

operating while we build one or other of the projects and we have been very specific about the extent of the additional time.

Deputy G.P. Southern:

So are you trying to tell me that it is not affected by the length of time it takes to build?

The Minister for Infrastructure:

No, I have not said that at all.

Deputy G.P. Southern:

That is what you have just said, apparently.

The Minister for Infrastructure:

Forgive me, but if you had listened to what I said, I pointed out that whatever is going to be spent for 4½ years, you will need the bulk of that money to keep the hospital going whether we take this option or we revert to the Our Hospital option. That is what I am saying and I would like to be clear about it, and I would like you to confirm that you have understood that because I am not seeking to mislead you.

[17:00]

Deputy G.P. Southern:

I look forward to seeing the transcript. Can I just take you through some of the problems that we do already face and some of the difficulties in rectifying them? “Material fire safety within the premises remains the greatest risk by far. The site is a collection of buildings that have evolved in a piecemeal fashion since the original granite block building. Without the obvious existence of a premises fire sprinkler system, the biggest risk to the hospital is fire and smoke spread due to inadequate internal fire compartmentation.” It goes on: “Fire and smoke dampers used through the heating and ventilation systems are now in urgent need of replacement either due to maintenance reasons or because they no longer comply with modern standards” and it carries on. Mechanical services is mentioned, Minister. “Antiquated plant and equipment are located across all blocks of the hospital with some key infrastructure now some 30 plus years old resulting in risk being managed on a daily basis.” Somebody has to go and inspect these things.

The Minister for Infrastructure:

That is quite correct.

Deputy G.P. Southern:

It continues and this gets a bit delicate. “Foul drainage is a site-wide issue at the hospital with many of the underground runs being below standard or at point of failure. Many of the runs are located under live clinical departments and replacement works unfeasible due to the impact to services. Backed up foul sewerage due to snagged waste is becoming a common reactive task to clear. Medium temperate hot water infrastructure has been elevated to a high risk and is on high alert for failure. Compliance around storage and medical gas bottles is not met due to the physical lack of space on the site. Ventilation compliance is another area that is far from adequate. Windows next to construction sites have had to be kept closed and sealed due to dust and noise issues. Electrical services have exceeded design life and are considered to not meet a satisfactory standard and are needing major replacements. Ceiling tiles with some infection control issues need to be replaced but cannot due to lack of decant space available.”

The Chief Minister:

Deputy, thank you for reading out those parts of the report. They are really important parts but I would like to remind you that the previous Assembly knew about the state of the buildings back in 2019 when it took a major step to do something different and to go down another path. I am not one to cry over spilt milk. I think that we should be looking forward and that means looking forward in delivering the very best value healthcare facilities that we can for our generation and for future generations. So we do that with our eyes open but I also respectfully request that anyone who voted for the rescindment of the 2019 project did so with that same knowledge.

Deputy G.P. Southern:

You are saying that doing that quicker is not a factor in terms of making that decision?

The Chief Minister:

Well, that is the reason why we are working with such speed on this change because we know and understand that delivery and speed is of absolute importance, and I think the Minister has outlined on several occasions his commitment to ensuring that that is done.

The Minister for Treasury and Resources:

There was also in questions earlier, Chief Minister, inference that the Minister had restricted the terms of reference inappropriately. Rather, he restricted those terms of reference so that we did not reopen and go back to where we were in 2019 looking at - I have to be careful with my language - every possible site available. The risks that you have just read out in the report are clear to the public. They were in consideration by the independent adviser when the report was written. They have spoken to health professionals. They understood those risks, as the Chief Minister said were under study in 2019 when previous decisions were made, and that it was right to curtail those terms of reference so that we can move on and properly respond to those risks. You are right to challenge

about limiting time. The Minister is committed, the team are committed to compressing that timescale as much as they possibly can. But as we sit here, we could not now in good faith, we do not have the permissions, as a Ministerial team, to deliver the hospital at Overdale, nor is there a contractor prepared to deliver it within the budget and for best value.

Deputy G.P. Southern:

Best value includes, according to you then, the fact that we could do it as quick as possible and we are not. We are not going to ...

The Minister for Treasury and Resources:

We are wanting to do it, I mean we are wanting to do it as quickly as possible, that is why we have produced the report in 100 days and we are amending the Government Plan. You are rightly criticising us saying you would like to have more information, you would like to have more details, you would like to have had other strategic outlines. Members can choose again to wait for all of those things or they can get on and let the Minister deliver quickly to mitigate the very risks that the report highlights.

Deputy G.P. Southern:

At which point, yes. Thank you.

Deputy S.Y. Mézec:

Lots more subjects to cover, so we will just move on. The next ones I wanted to ask were about economic advice on this. On page 9 of the report there are 5 paragraphs which are in italics, and I am presuming those are directly taken from the chief economist. Okay, yes, thank you for nodding to confirm that. Indeed, so following those 5 paragraphs, they are not in italics anymore, so presumably not a direct quote from the chief economist. It says: "In this context it has concluded that the scheme in its current form and delivery model is unachievable within the original £620 million envelope." That is for the project capital costs, so that excludes Government of Jersey team costs and other figures there. Just to be clear, that statement has concluded that the scheme in its current form and delivery model is unachievable within the original £620 million; that is a conclusion of this review. Have you been specifically told that conclusion by other economic advisers as well?

The Minister for Treasury and Resources:

If I recall correctly, that conclusion is not ... the economic advice, we could say, is the backdrop but the professionals who were directly involved in delivery of Overdale or Our Hospital, they are the ones who advised, because of their work with the design and delivery partner and their work with the cost consultants, that it was no longer deliverable within that envelope.

Deputy S.Y. Mézec:

Who gave that specific advice?

The Minister for Treasury and Resources:

The team.

Deputy S.Y. Mézec:

The team, which team?

The Minister for Infrastructure:

I do not think it was advice. I think in discussion with the design and delivery partner, they came back and said: "We cannot build it for X, it is now Y."

Deputy S.Y. Mézec:

Okay.

The Minister for Infrastructure:

That is the information that came in. Correct me if I am wrong, but I think that came direct from the design and delivery partner.

Deputy S.Y. Mézec:

That they themselves confirm that.

The Minister for Infrastructure:

They came forward and said: "If you want this hospital building it is going to cost you in the region of £70 million to £150 million more."

Deputy S.Y. Mézec:

Okay. In terms of how much you are advised, it would now cost ... could you just repeat that more with clarity, what figure?

The Chief Minister:

The figure we have been given at the moment is £970 million.

Deputy S.Y. Mézec:

By whom, just to confirm? That is by those delivery ...

The Chief Minister:

We do not have a direct relationship with the former partner but by those advising us, who have been in those discussions.

Deputy S.Y. Mézec:

Okay.

The Minister for Infrastructure:

Can we just check because that is for the record? Can you just check that that is the right figure?

Deputy S.Y. Mézec:

If you need to join the table ...

The Minister for Infrastructure:

Sorry, if we could, I just want to make sure we are on the record that we are presenting ...

Deputy S.Y. Mézec:

I agree, and please introduce yourself into the microphone when you sit down. Thank you.

Acting Project Director, Infrastructure, Housing and Environment:

Jessica Hardwick, the acting project director, and what the Ministers have confirmed is correct, that we have a design and delivery partner; they obviously put forward their costs in relation to their elements of the project. Then we have a series of other numbers that are obviously not generated by the design and delivery partner. Overall there was a reassessment of cost in August. That figure at the moment at that time was £915 million but since that date there has been further inflation that has occurred, which would then increase it to the numbers that the Chief Minister has stated. I think that there has been private correspondence with the Scrutiny Panel, and I think we have said that we could forward that cross-plan information. But there is commercial information in there that you can appreciate that relate to our relationship with the design and delivery partner and so that information is not currently in the public domain.

Deputy S.Y. Mézec:

Okay, thank you. This may be for the Minister for Health and Social Services this question, but if the Minister for Treasury and Resources can help then please feel free. Over what would have been the proposed borrowing period for an Overdale project? How much, in your estimation, would we be spending on health services in that time? Apologies if that is too detailed a question.

The Minister for Health and Social Services:

That is okay. I think the short answer to it is we would need to do the revenue consequence of this, and we have not done the detailed work around the revenue. But clearly what we would continue with is the revenue profile that is related to the current provision of service. Over time, as the pattern of service changes due to the development, there would clearly be a transfer of those revenue streams into the new developments. But in terms of the additional cost of any revenue we would have to work out in the final design what that would look like.

Deputy S.Y. Mézec:

Okay, thank you. For the Minister for Treasury and Resources, what is your position now on how the project will be funded if all goes according to your plan?

The Minister for Treasury and Resources:

You will see from the amendment to the Government Plan for 2023, from an accounting perspective, the Strategic Reserve is, in effect, funding the hospital but you are repaying and keeping the Strategic Reserve topped up by borrowing. In effect, what you are trying to do is create a borrowing against your assets but just because of the way we handle it it has to go in and out. That is where we have got to, which I think is what you would expect, that we are planning for what we can currently see and Members will want greater detail in all of the work that the department will be able to undertake within that budget request. It will allow them to make a much more detailed informed decision going forward, which will, I believe, validate the savings numbers in the report. But what it also does of course is continue the development of Les Quennevais. Les Quennevais is not only part of the proposal for the revised approach but it was also important for the Overdale approach, so it does still and it is in the questions you have been asking is: once we have got further details can we still keep going with what was previously proposed? That will still be open to States Members to decide that because we are continuing with the Les Quennevais approach.

Deputy S.Y. Mézec:

Page 91 of the report, paragraph A7 says: "Despite changes in the underlying financial markets environment, the broad principles of P.80/2021 still apply today, the Strategic Reserve pays the annual financing costs and, ultimately, repays the debt." Could you just confirm what advice you have to corroborate that position and where that has come from?

The Minister for Treasury and Resources:

That has come from my officials in Treasury, who seek independent advice from those who are involved in markets on a daily basis. Of course, theoretically, that is still possible. You would be borrowing against your asset, which is the Strategic Reserve. What casts doubt is the volatility of the bond market and the volatility of equities. You would probably, I think, be wise to rather than take one big borrowing upfront, which was what was previously proposed, so for the full amount at

the point we sign the contract in advance of doing the development, this proposal is about risk management, so not just the risk of the existing hospital but also risks of the economy and phasing going to the market so you can get the best possible coupon rate.

[17:15]

It is going to take some time of course for markets to be less volatile, with everybody else that is going to have to get used to what is historically more normal interest rates and not the low interest rates, which we do not see and they will advise us and will continue into the future. Theoretically we carry on doing that but what this does is allow you to mitigate those risks better.

Deputy S.Y. Mézec:

Thank you. Does anyone else have any questions on that specific point before we move on? No, okay. Deputy Feltham now.

Deputy L.V. Feltham:

Okay. We are going to move on to the consultation process that you did as part of this review. Can you detail what that consultation process looked like, what you did in order to consult with stakeholders?

The Minister for Infrastructure:

Basically we went through a scenario where Alan 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.

Deputy L.V. Feltham:

In terms of getting some objective feedback, do you think that is the best way of getting that objective?

The Minister for Infrastructure:

I will have to say it varied from one participant to another because we interviewed a range of people, starting on the one hand from clinicians, health staff on one side, and people maintaining the hospital on the other. There were slightly different conversations, if you can imagine, when you are talking to the maintenance people. What you are basically asking them is how they feel about an extension to the amount of time that is required to keep the hospital running. As I say, some of the discussions were different with other people, with various people.

Deputy L.V. Feltham:

How were those discussions recorded?

The Minister for Infrastructure:

They were all minuted.

Deputy L.V. Feltham:

Is it possible for you to provide those minutes of those conversations confidentially to the panel, please?

The Minister for Infrastructure:

Can I just check; is that possible? I believe so.

Deputy L.V. Feltham:

The review states that stakeholders were selected on the basis of their knowledge and expertise, how did you go about choosing which stakeholders took part in the review?

The Minister for Infrastructure:

We were guided in that by the existing team that has been dealing with Our Hospital project.

Deputy L.V. Feltham:

The stakeholders, you have already said, were not asked to declare conflicts of interests, how did you determine that the advice being given was being made in an impartial and an objective manner?

The Minister for Infrastructure:

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.

Deputy L.V. Feltham:

When considering the advice and the comments being made by the people that you consulted with, what weighting did you give? Did you give any weighting, dependent on level of experience, expertise, whether it was around risk, did you consider that?

The Minister for Infrastructure:

No, I do not think it was a particularly weighted analysis. No, I just think we listened carefully to what everybody had to say because we felt each one of them had something of importance to convey.

Deputy L.V. Feltham:

What methodology did you use to analyse the information that you gathered?

The Minister for Infrastructure:

I am not aware of any particular methodology that was used. We just listened to what was said, recorded it and the people that were involved ... Alan took that forward and dealt with that in terms of ...

Deputy G.P. Southern:

You say recorded it, are you talking about verbatim statements?

The Minister for Infrastructure:

I will have to take ...

Deputy G.P. Southern:

It is all in summaries because all I can see in this report is summaries.

The Minister for Infrastructure:

I did not read all the notes from all the meetings and I think if I just check with how those recordings ... could I just ask if you could give us a little bit of advice on how it was recorded?

Deputy S.Y. Mézec:

Please introduce yourself again, sorry.

Acting Project Director, Infrastructure, Housing and Environment:

Jessica Hardwick, the acting project director. We had somebody in the room for each of the meetings and so there were notes of those meetings taken. They are very brief notes. They are not the ones that you see before you. They remain as a record of the meeting for the lead adviser to be able to review what was said at each of the meetings.

Deputy G.P. Southern:

But they are not the expressions that were used in that meeting, nor are they on these pages, pages 29 to 33; it is from 40 statements which are not verbatim but are a summary of a civil servant's version of what was said.

Acting Project Director, Infrastructure, Housing and Environment:

Are you in the appendices of the report on that page?

Deputy G.P. Southern:

In section 3 “Stakeholder Interviews and Submissions”, what you heard.

Acting Project Director, Infrastructure, Housing and Environment:

Yes, so they will be things that have been said. I would have to check through the notes to see if they directly relate to what words are said and are exactly verbatim but they do reflect what was said in the meetings. But I think that that is what the section is entitled but remind me of the title.

Deputy G.P. Southern:

“Stakeholder Interviews and Submissions - What We Heard.”

Acting Project Director, Infrastructure, Housing and Environment:

Yes, that is right. I think that that would be appropriately titled as being what we heard from those meetings, as opposed to what was said verbatim.

Deputy L.V. Feltham:

A lot of the comments, I think, could be considered to be very subjective. How is that kind of weighed up when considering those comments and coming to a conclusion?

Acting Project Director, Infrastructure, Housing and Environment:

I think it would be appropriate to ask the lead adviser for how he weighed up each of those pieces of evidence that he had.

Principal Expert Adviser:

Yes, our colleagues ... the line is not terribly good at this time, could you repeat the question, please?

Deputy L.V. Feltham:

A number of the comments that came from stakeholders and are within the report appear to be very subjective, how did you weigh up any kind of subjectivity and use that within the report to avoid any bias, for example?

Principal Expert Adviser:

What we have endeavoured to do is take a broad look at the points that were being made and some people were very passionate about their views. But we took a number of actors, both from the clinical and the employee perspectives, and also then in terms of the achievability around advice, advice from the existing design team as to whether the existing development was affordable. We concluded that there were 4 viable options, based upon the feedback that we were getting. We also took into account during the visit in Northern Ireland, the clinicians there and their experiences that

they have worked in as to what was achieved. There are 4 options or 5 options but there is one option, 1A and 1B, in fact it is the same option but delivered in a slightly different way.

Deputy L.V. Feltham:

Can I just clarify something because I have heard something different, I think, from you to what I heard from the Minister, so I just want to check? The Minister said that when people were met with it was explained to them that the previous project was now unaffordable and that there were a number of options on the table. I heard a suggestion that people were told when they were interviewed what those options were. I heard something different from you, so can I just clarify what did happen?

Principal Expert Adviser:

During these questions a number of potential options were discussed and their reaction to them was recorded and we were trying to determine the achievability of each of the options. Options were certainly discussed during that time, given in the oral questions.

Deputy L.V. Feltham:

Okay, thank you.

The Minister for Infrastructure:

Just can I clarify, that I think if we do look at the minutes what I was really centring on was the change in the economic climate, was the point that we centred on at the beginning of the discussion. I think that is important to make that clear, that we are confronted with a very different economic climate now than we would have been 12 or 15 months ago.

Deputy G.P. Southern:

It was not an open discussion, it was a closed discussion.

The Minister for Infrastructure:

No, it was not closed. No, it was not closed at all. You have to forgive me if I have not articulated it exactly as I should. I think perhaps the question would have been ... because given that it was led by him and the question would have been better directed at him. Apologies if I have misled you in anyway. I think Alan has given a more accurate description of how it was handled than I, other than to say that I was aware that at the beginning of every meeting that we have with everybody the thing that we focused on principally was the change in the economic climate, as a change in backdrop to the whole situation.

Deputy G.P. Southern:

It looks like that it closes down the conversation; it does not matter. We will move on.

The Minister for Infrastructure:

No, if you are uncomfortable, Deputy Southern, I think we should hear about it.

Deputy G.P. Southern:

I am not uncomfortable, it is just that ...

The Minister for Infrastructure:

I am not trying to close the conversation down. I am quite happy to open it up because nothing subversive is taking place.

Deputy G.P. Southern:

No one appears to know what a closed and open conversation is. Move this on, please. Okay. The review states that: "The majority of clinicians consulted articulated a strong preference for a single-site solution." This was evidenced in a number of areas in the review. Why was this view that a single site is preferable not weighted more heavily in the conclusion reached, given that majority? How will the Government avoid the perception that the views of clinicians canvassed as part of this current project have simply been dismissed?

The Minister for Infrastructure:

I cannot guarantee that they will not and, like I said at the beginning, this is an option that is available to the Assembly. It will be up to the Assembly to decide how they want to weight all the information that has been provided.

The Chief Minister:

If I may come in there, it was really clear from the question-and-answer session that we held I think last week that there were a number of clinicians in the room there and I thought from the questioning and also from the responses from them it was quite clear that there are a variety of different views among clinicians. We continue to engage with a number of them and we are very open to seeking those opportunities and continue to engage with them. There is not one defined view that they all agree with because they have a variety of opinions, just like we do and you do.

The Minister for Infrastructure:

It is important to stipulate that almost without exception, but not quite, however much they expressed a preference in an ideal world for a single-site solution, I think there were only one or 2 that said they did not appreciate the change in circumstances and the need to perhaps look again. If you are uncomfortable with that, Deputy Southern, you can remain uncomfortable.

Deputy G.P. Southern:

I am not uncomfortable, it is a perfectly comfortable chair.

The Minister for Infrastructure:

But I am telling you, you have asked a question and I have given you a straight answer. I think it is important to know that as much as they said in an ideal world that they would prefer a single-site solution, almost exclusively but not quite, they said that they fully understood the need to look again.

The Connétable of St. Brelade:

Can I just ask if your perception is that that response is mirrored by the nurses? Because while we talk about the clinicians and their views, the nurses, the people on the ground who have got quite a strong opinion and I understand they were not terribly well-consulted. I may be wrong but that seemed ...

The Minister for Infrastructure:

To the extent that we did have several meetings at the Halliwell Theatre and one of them, I think, had 40-odd people, 43 or 46 in the audience, I think we had more than 90 online but there were invitations extended to people. I have to say while nobody was jumping for joy about any of this, once again there was an acceptance that perhaps the whole situation did require a second look, given the change of circumstance. This is not a situation that anybody can be happy with and I think we have made that plain from the outset. This is not something that anybody is thinking is wonderful. If you wanted to start a journey you certainly would not start it from here.

The Chief Minister:

But I think in relation to nurses, and I am sorry if I am speaking over the Minister for Health and Social Services.

The Minister for Health and Social Services:

That is okay.

The Chief Minister:

We certainly do want to hear all voices in this project. But also what is really clear is what is important to them at the moment and it is one of our areas of relentless focus and that is recruitment and retention and dealing with the cost of living as well. Those factors and having a stable workforce ...

Deputy S.Y. Mézec:

Sorry to interrupt, Chief Minister ...

The Chief Minister:

... is what will make a difference to nurses ...

Deputy S.Y. Mézec:

Chief Minister, sorry, I am conscious of the time we have got left and that kind of was going in a different direction.

The Chief Minister:

I absolutely understand but it is a really important point.

Deputy S.Y. Mézec:

I understand but we have got some questions to get through. Can I ask the Minister for Health and Social Services because there are repeated statements in this report about clinical views and, as this line of questioning is talking about, those that articulated a preference for a single-site solution, as the Minister responsible for the services that will end up being delivered in whatever type of hospital we get from this, how are you contributing into this process to manage, I guess, those that are working in the service who are expressing a preference for a type of solution which it appears is no longer the preferred option?

The Minister for Health and Social Services:

I think the thing to say is - and just to reiterate what the Chief Minister was saying - we have to listen to all voices. There is, undoubtedly, a difference of opinion in terms of what people want around a single solution or a 2-site solution. I think until we are clear about the direction of travel, then we have to keep listening to people and talking to them about why this option has been put forward. While clinicians - and they will appreciate this - understand what there is in a need to provide safe clinical care, we have also got to make sure that we do that in an affordability envelope. I think the most important thing for me is that we can afford to deliver safe care. I think the choices and the preferences that each clinician has differ; I do not think we can get away from that.

[17:30]

But I have been listening to a lot of staff who have just said: "The really important thing is whatever option we end up with, the most important thing is that we have got really good facilities." I think that is where my engagement will be, making sure that they are engaged in the design and the development and making sure that we have got an attractive place for people to come to work. I think at the moment the uncertainty is that people have put a lot of effort and time into a previous

option that was on the table and I think people are tired. I think it is incumbent upon us to get a speedy resolution to this.

Deputy S.Y. Mézec:

Minister, do you regard a single-site solution as preferable to a multi-site solution?

The Minister for Health and Social Services:

My support for the option that is in front of you is there and I think the flexibility that that gives us is really critical because the model of care is changing. The issue is we are going to end up with new facilities, we are going to end up with new health facilities and what we have got to do is we have not got ...

Deputy S.Y. Mézec:

Minister, I am sorry to interrupt you and I accept the first part of the answer that you gave there, your support for this position; that is absolutely fine. But asking about the issue in isolation of whether a single site is preferable to a multi-site and that is quite a clear question. You can balance it against other things, affordability and process, that is absolutely fine, to reach a conclusion but on that question alone would you have preferred a single-site solution?

The Minister for Health and Social Services:

Not entirely because I think the model of care has changed. I think you can adapt healthcare, whether it is on a single site or a 2-site solution. I think the most important thing in this debate is that we are really clear about the pattern of service and the way that we want to deliver services. At the moment everything is encapsulated in a brand new hospital, which is the original proposal. What I am saying to you, as a panel, is that consideration of the model going forward has to take account of the fact that a hospital is not always the best place to deliver care for people. We have got to start to think about the kinds of facilities that we want to provide and this is what we are trying to achieve through these proposals. Undoubtedly, we will need a hospital facility in the middle of that and that is what the proposal takes account of.

Deputy S.Y. Mézec:

Thank you. I guess I kind of want to put that question to the adviser, Mr. Moore, as well. In doing your analysis on different prospective options and how they could be put together, on the question of which is the best clinical option, did you consider a single-site option as being preferable or not to multi-site options?

Principal Expert Adviser:

I was asked this question before by Deputy Farnham and clearly to have it all on a single site is better if you can afford it. If you cannot afford it, then really what you have to do is to see how you can afford it. As I then reviewed the options in terms of cutting down really space and cost to make this achievable, it became apparent to me that a hybrid option, a multi-site option, was the best way forward. In terms of some of the visits undertaken in Northern Ireland to try to demonstrate that that was achievable and safe.

Deputy S.Y. Mézec:

Thank you very much for that. One question to Deputy Southern.

The Chief Minister:

Could I also ask, if we are to consider this as a campus, the 2 buildings are equal in distance to some campus hospitals that you will find in other places? We are not talking about a 30-mile journey here, we are talking about less than a kilometre ...

The Minister for Infrastructure:

It is 800 metres door-to-door by road in a straight line. By road it is 800 metres and I will wager that some of the campuses that Alan deals with are probably more than 800 metres from north to south or east to west. It is just worth bearing that in mind.

Deputy S.Y. Mézec:

Okay, thank you. One question from Deputy Southern and then we will move on.

Deputy G.P. Southern:

Chief Minister, at page 55 of the review it is stated that: "There are significant benefits associated with healthcare facilities over several locations." This does not appear to be backed up by the clinical feedback gathered so far. Where is the evidence for this view?

The Chief Minister:

Sorry, did you say 55?

Deputy G.P. Southern:

I did indeed.

The Chief Minister:

Perhaps point us to which part of the page is it?

Deputy G.P. Southern:

I cannot even find the page.

The Minister for Infrastructure:

It is the last ...

Deputy G.P. Southern:

The right-hand side.

The Minister for Infrastructure:

Yes, the one on the very right-hand side: "Significant benefit of new healthcare facilities over several locations."

The Chief Minister:

Benefits and risks. Okay, yes, thank you, sorry.

Deputy G.P. Southern:

"Significant benefit of new healthcare facilities in one location, although delivered over a longer timeframe. Significant benefit of new healthcare facilities over several locations with some extant planning permissions, although delivered over a longer timeframe, will be realised earlier." The very far right on page 55, top, the description there.

The Chief Minister:

These are comparisons between the different options, are they not, you have got?

Deputy G.P. Southern:

Indeed.

The Chief Minister:

That is option 3, which is the General Hospital in Kensington Place or are you talking about the option for Overdale and Kensington Place? This is a table that is talking through the benefits and risks. It is underneath the section called "Social Value".

Deputy G.P. Southern:

It is option 4 for the Kensington Place and J.G.H. (Jersey General Hospital).

The Minister for Treasury and Resources:

We are talking about the benefit and risk table.

Deputy G.P. Southern:

Yes.

The Minister for Treasury and Resources:

If you read on it is talking about the fact that part of this scheme has got a planning permission, so amending that is more straightforward. It is also mitigating risk by not having the one building on one site that you have to contract to in advance; that is my reading and what it is referring to. I do not know if the adviser is there, I am sure he can correct me if I am wrong.

Deputy S.Y. Mézec:

Shall we move on? On that basis shall we ...

Principal Expert Adviser:

Are you referring to the development's risks on option 4 section?

Deputy G.P. Southern:

Yes.

The Minister for Infrastructure:

Yes.

Principal Expert Adviser:

That is what you are referring to. They are, with respect, reflective of my assessment and the assessment of the panel. The aspect of the location not in a single site also has some benefit, particularly in relation to isolation of the facility (inaudible), et cetera. In relation to the fact that it is also reduced in size allows a more attractive proposition to supply chain can come and deliver that. All of those are factors that make this a more achievable option and that, therefore, the preferred option, in my mind, and in the view of the review panel.

The Minister for Infrastructure:

If we are looking for other benefits I think it is important to state that if you went ahead with the Our Hospital project the site is basically 100 per cent full and very congested. With this option one of the benefits is that you have got room to expand on both sides going forward, which you may want to do. If we had a significant increase in population, for example, or you needed some form of different facility and the buildings could be designed so that those extensions could be built straight in and then they are catered for. That is something that we have not got with a single-site option that we would have with the dual-site option, subject to it being appropriately designed.

Deputy S.Y. Mézec:

I think we are going to have to move on to the next area. We are at that point where we will ask for answers to be brief and we will try and keep our questions phrased briefly as well.

The Connétable of St. Brelade:

This is one about the building; a very simple question. How was the construction industry consulted as part of the review?

The Minister for Infrastructure:

That was done through the Construction Council. We had several meetings with them. I do not know how brief I can be but I think it is quite a significant point in that they sort of welcomed the idea of having it in a phased condition because they were concerned that - and, as I said, one has to be careful what one wishes for - the Our Hospital project would have involved bringing over 700 people, having to accommodate them. There were serious concerns about poaching of key staff members from the existing firms over here, which could have affected the housing building programme. That was one of the principal considerations for them. They considered that with small or main projects there could be a hell of a lot more local involvement, which I think would be good for the economy.

The Connétable of St. Brelade:

Do you think they will want and have the capacity to do the work on this?

The Minister for Infrastructure:

They were extremely keen, as you can imagine, because it does keep a lot more work local and it spreads that workload and has less effect on the remainder of the construction projects that are taking place.

Deputy G.P. Southern:

But you do say that capacity may be constrained. You said building capacity may be constrained by the fact that they can build elsewhere and not in Our Hospital project.

Deputy S.Y. Mézec:

It is page 77.

Deputy G.P. Southern:

Page 77, third paragraph.

The Minister for Treasury and Resources:

You wanted us to be quick, I would have thought that was self-evident. If you are using the local construction industry, which surely is the better approach, that may lead to some constraints in the local market. The alternative is to stick with a big contractor from off-Island and have to import 700 people that we cannot house.

Deputy G.P. Southern:

No, it is saying that: "Construction companies can make a financial profit outside of the healthcare environment with less risk and scrutiny on their day-to-day activities", so they would rather build flats than build the hospital.

The Minister for Treasury and Resources:

That is not my experience from conversations with the Construction Council and I am sure it is not the Minister's either.

The Connétable of St. Brelade:

Can I just take us to the ...

The Minister for Treasury and Resources:

We were saying they would rather, that is not my experience that they would rather ...

The Connétable of St. Brelade:

Can I take us to the actual method of construction in the review, the summary of options appraisal on page 57? It stated: "The current design does not embrace modern methods of construction." Who has provided that analysis and is it supported by the team behind the design?

The Minister for Infrastructure:

Yes, I think it would be probably worth consulting with Alan because he has got some experience with working with modern methods of construction in a hospital context.

Principal Expert Adviser:

I suppose in interviews what the H.C.S. (Health and Community Services) project team, they were able to provide evidence that modern methods of construction had been offered by the contractor moving forward. What I have made clear is that the same contractor had provided modular pods into a basic hospital I was responsible for as well. My sense was that the proposed modern methods of construction were not as completely provided as they should be and had they been there would have been a significant reduction in cost. I estimate to be in the region of up to 5 per cent.

The Connétable of St. Brelade:

That was a £60 million proposed saving that is indicated in the report.

Principal Expert Adviser:

Up to £60 million you could potentially see if they adopt other methods of construction in any proposal going forward.

The Connétable of St. Brelade:

Thank you.

Deputy S.Y. Mézec:

Thank you. Looking at the next steps, in several points in the report it refers to: "It being essential that a further more detailed analysis is undertaken with respect to clinical risk, cost and planning assumptions before any final decisions are ratified." Then, again, on the very last page of the report after it refers to the subjective model it says: "And should be validated by a further detailed analysis prior to ratification of the selection of the option going forward." How do you plan to do that detailed work and before the final ratification of the option moving forward?

The Chief Minister:

We will plan to get it done.

Deputy S.Y. Mézec:

How and when?

The Minister for Treasury and Resources:

That of course will depend on Members supporting the amendment to the Government Plan. The whole reason for the amendment to the Government Plan is to allow that work to be undertaken. I look to Jess again; there is a project timeline of various pieces of work that can be undertaken during 2023 if Members agree the amendment.

Deputy S.Y. Mézec:

I guess this is for the Chief Minister: do you regard the amendment to the Government Plan as a de facto rescindment of Overdale as a site for the hospital?

The Chief Minister:

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.

Deputy S.Y. Mézec:

Will you regard that as the moment the Assembly officially said the previous proposal of Overdale as a site? Not necessarily the entire project because there are operations ...

The Chief Minister:

If I can reflect on the conversations we had when we came to the Scrutiny Liaison Committee to talk to you about the plans, I think we said that there was a 2-step process.

[17:45]

Clearly, 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. Because we felt that was really important, there was time for Scrutiny to do its job properly and we did not think that condensing it into an amendment in the Government Plan, particularly as that had a shorter timeframe, was the right way to do it. We considered that those 2 steps were the best, giving Scrutiny time to do its job.

Deputy S.Y. Mézec:

Okay, so that is a no then, it would be for a subsequent further decision to be the official moment where ...

The Chief Minister:

I think there are 2 parts of the process but it would be a considerable step in the right direction.

Deputy S.Y. Mézec:

Okay, last question from me and then there is a very final one from Constable Jackson. Will Ministers be looking at the recommendations made by the former Future Hospital Review Panel and its advisers when developing any future outlined business case?

The Chief Minister:

I am very familiar with that work.

Deputy S.Y. Mézec:

I thought so.

The Chief Minister:

I thought it was an excellent piece of work and me certainly.

Deputy S.Y. Mézec:

Thank you and a final question.

The Connétable of St. Brelade:

I am just going to divert and I suppose I should admit to a bit of conflict in the next question because it is in my Parish. We note from your responses to the letter of 22nd November and similar comments made in the review, that a longer-term decision appears to be made to keep healthcare facilities at the former Les Quennevais School once services have been moved to the site. Are you having any discussions or any thoughts as to about which direction that is going in?

The Chief Minister:

I think the first intention is to go for a site visit and we were going to invite the local representatives of that said Parish to join us on that site visit.

The Minister for Infrastructure:

I think some have been and I think we extended verbally an invitation to Reform and to the Comité des Connétables to visit. As I say, as yet that is just a recommendation, no decision has been made. That is a decision again for the Assembly. But I will just make the point, as a final point, it is 7,000 square metres and if you look at the cost relative to the overall project, 70,000 square metres of rebuild is £70 million, so just worth bearing in mind. I am not claiming that that £70 million is a saving but it is just worth contemplating that 7,000 square metres comes out of the redevelopment because the plan was to put all of that back in the Our Hospital Project.

The Connétable of St. Brelade:

We were talking about the budget of £15 million, I gather, to convert this ...

The Minister for Infrastructure:

That is the conversion.

The Connétable of St. Brelade:

Yes.

The Minister for Infrastructure:

What I am referring to is if it stays there is it a permanent situation? That is saving you building another 7,000 square metres to replace it. It just strikes me with the extent of the work that is taking place to put a bulldozer in there in 4½ or 5 years' time, we have got to think carefully about what we

are doing with our funds and if that can be made to last for 25 rather than 5 years it is just worth considering.

The Chief Minister:

If you recall some elements of that move, say, for example, the Child Development Centre, the Overdale project had not identified a place for that to move to once Overdale was completed and certainly help in that situation as well if that was the decision.

Deputy S.Y. Mézec:

Okay, thank you. Unless any other member has a brief burning question to take advantage of this moment for. No, okay. Can I thank you, Ministers, and your officers? This is obviously a very big and complex project, so we thank you for being here at relatively short notice to answer questions and we will post some in writing that we look forward to the answers to as well. Can I thank my colleagues and our officers as well for their support and of course members of the public for joining as well? On that note I call the public hearing to a close.

The Chief Minister:

Thank you, Chair. Thank you, all.

[17:49]