

Deputy Sam Mézec  
Chair  
Future Hospital Review Panel  
**BY EMAIL**

06 October 2023

Dear Deputy Mézec,

**New Healthcare Facilities Programme Review: C&AG comments on procurement**

Thank you for your letter dated 27 September 2023. Please find responses to your questions below and overleaf:

1. In line with expectations for all public money, the Accountable Officer for the programme is required to comply with the Public Finances Manual (PFM) unless there are exceptional and compelling reasons to take an alternative course of action. Where this is the case, these will always be documented, and the established process followed.
2. Please see response to question 1.
3. There will sometimes be circumstances where exemptions to the PFM will have to be sought in order to enable the effective and timely delivery of Government business. It is for this reason that such processes exist.  
Breaches to the PFM should therefore not occur but if any subsequently are identified they would be reported in line with the usual process to ensure transparency. I will ask the programme team to share recorded procurement breaches with the Panel on a private and confidential basis. This information cannot be publicly released due to commercial sensitivity.

Having reviewed the C&AG report on 29<sup>th</sup> June 2023, I must note that recommendations 4 to 7 of the recent C&AG report are not specifically limited to the theme of effective procurement as your letter implies. In saying this, I recognise that they are more general recommendations about decision-making principles.

With respect to the implementation of recommendation 4, a review of the functional brief has been built in to the programme processes and will be included in the next draft version of the programme manual. The executive response describes that the action plan for recommendations 5,6 & 7 is in place. For ease this is reproduced on the following pages.

I trust that this response provides the necessary assurance to the Panel in these matters.

Yours sincerely,



**Deputy Tom Binet**  
**Minister for Infrastructure**

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Recommendations	Action	Target date	Responsible Officer
<p><b>R4</b> Ensure that effective mechanisms are put in place to review and, where appropriate, update the Functional Brief for key strategies which should inform capacity requirements as they are finalised.</p>	<p><b>Accept</b></p> <p>A regular check on the continued relevance of the Functional Brief will be built into the programme Decision Point process and will be described in detail in the Programme Manual. Where appropriate, the Functional Brief will be updated based upon recent strategic developments in health and social services.</p>	<p>August 2023</p>	<p>Healthcare Lead New Healthcare Facilities Programme</p>
<p><b>R5</b> Establish clear and robust criteria to underpin decision making for the New Healthcare Facilities Programme. Document targets and tolerances and any weighting against the criteria.</p>	<p><b>Partially Accept</b></p> <p>The programme appreciates that targets, tolerances and weighted criteria can result in a more robust decision-making process. However, the nature of relevant individual criterion means that not all result in quantitative assessments, and assessments are often better undertaken based on a depth of professional experience, especially at the very earliest stages. For the NHF SOC, the Critical Success Factors (CSFs) were developed by the programme team and agreed by the Ministerial Group.</p> <p>As projects come forward as part of the programme, Outline Business Cases will be developed that will enable benefits to be quantified.</p> <p>A conscious decision has been made not to weight CSFs in the programme Strategic Outline Case (SOC) and feasibility studies. However, the use of weighted criteria will be considered on a case-by-case basis as future decision points arise.</p> <p>To note: the previous projects experienced challenge whether or not criteria were weighted. For example, if criteria were not weighted, there were challenges about why this has not taken place. On the other hand, when weighting was used, the rationale for weighting was challenged.</p>	<p>In place and ongoing</p>	<p>Programme Director, New Healthcare Facilities Programme</p>
<p><b>R6</b> Clearly set out reasons for any deviation from the</p>	<p><b>Partially Accept</b></p>	<p>In place and ongoing</p>	<p>Programme Delivery Lead New Healthcare</p>

<p>agreed criteria, the thresholds or the weighting and what has been done to mitigate the risks of the changes made.</p>	<p>Please see response to R5 regarding weighting.</p> <p>Where there are deviations from agreed criteria when making a decision, the reasons for this will be documented. This recommendation has been incorporated into programme BAU processes and has been included in the programme manual.</p>		<p>Facilities Programme</p>
<p><b>R7</b> While recognising that risks and opportunities in health care constantly evolve, ensure that criteria for evaluation at any point in time fairly and reasonably represent a sustainable value for money position</p>	<p><b>Accept</b></p> <p>It is imperative that a programme such as NHF engages continuously with Health and Community Services (HCS), as programme client, to align with initiatives in the health and care delivery space. Arrangements are in place for HCS to regularly feedback on client requirements, including, for example, a Healthcare Lead embedded in the programme team and the attendance of the Chief Officer HCS at Senior Officer meetings.</p> <p>In doing so, the programme will review dependencies as HCS strategies are developed and put in place, and the functional brief will be regularly reviewed, as noted in the response to R2. The phased nature of the programme will also enable a robust review of the Functional Brief as the design for each project develops.</p> <p>Similarly, when opportunities present themselves, such as modern methods of construction, and development in health and care delivery, such as new digital technologies, these will be considered, and an appropriate assessment of cost-benefit undertaken to establish whether they represent a sustainable value for money position</p>	<p>In place and ongoing</p>	<p>Chief Officer, Health and Community Services</p>