

Future Hospital Review Panel

Witnesses: The Minister for Health and Social Services and the Minister for Infrastructure

Monday, 26th February 2018

Panel:

Deputy S.M Brée of St. Clement
Deputy R.J. Renouf of St. Ouen
Deputy T.A. McDonald of St. Saviour
Deputy K.C. Lewis of St. Saviour
Deputy J.A.N. Le Fondré of St. Lawrence
Senator S.C. Ferguson

Witnesses:

Senator A.K.F. Green MBE, The Minister for Health and Social Services
Deputy E.J. Noel of St. Lawrence, The Minister for Infrastructure
Ms. J. Garbutt, Chief Executive, Health and Social Services
Mr. J. Rogers, Chief Officer, Department for Infrastructure
Mr. R. Foster, Director of Estates, Department for Infrastructure
Mr. B. Place, Project Director
Mr. R. Glover, Jersey Property Holdings
Deputy P.D. McLinton of St. Saviour, Assistant Minister for Health and Social Services
Mr. R. Sainsbury, Hospital Managing Director

[13:15]

Deputy S.M. Brée of St. Clement (Chairman):

Good afternoon, Ministers, officers, ladies and gentlemen. Welcome to the public hearing of the Future Hospital Review Panel with the Minister for Health and Social Services and the Minister for

Infrastructure. First of all, I would just like to remind everybody that this is a scrutiny public hearing. I would draw the attention of the Ministers to the notice in front of them regarding conduct during the hearing. I would also like to remind the public and media, could they please remain quiet at all times. Could you please ensure that all mobile phones are switched to silent or off and please do as I said, remain quiet - for the public and the media - at all times. First of all, I would like to extend a personal thanks to both Ministers for rearranging their very busy timetables to accommodate a change in time for this public hearing. Purely as a matter of housekeeping, there is no need to stand up when speaking, unlike normal States meetings. One thing I would ask though is that while you are answering questions, please obviously switch your microphone on. When you are not, please ensure that it is switched off, otherwise it will be very difficult following who is saying what. With regards to that, for the purposes of all those people attending and, indeed, possibly watching as this is being webcast, I would like to just go around and ask everybody to give their name and title of those people who will be contributing to this public hearing. First of all, myself. My name is Deputy Simon Brée, I am Chairman of the Future Hospital Review Panel.

Deputy R.J. Renouf of St. Ouen:

I am Deputy Richard Renouf and I am vice chairman of the panel.

Deputy J.A.N. Le Fondré of St. Lawrence:

Deputy John Le Fondré, member of the panel.

Deputy T.A. McDonald of St. Saviour:

Deputy Terry McDonald, member of the panel.

Deputy K.C. Lewis of St. Saviour:

Deputy Keven Lewis, panel member.

Senator S.C. Ferguson:

Senator Sarah Ferguson, panel member.

Chief Executive, Health and Social Services:

Julie Garbutt, Chief Executive for Health and Social Services.

The Minister for Health and Social Services:

Senator Andrew Green MBE, Minister for Health and Social Services.

The Minister for Infrastructure:

Deputy Eddie Noel, Minister for Infrastructure.

Chief Officer, Department for Infrastructure:

John Rogers, Chief Officer, Department for Infrastructure.

Director of Estates, Department for Infrastructure:

Ray Foster, Director of Estates, Department for Infrastructure.

Representative, Jersey Property Holdings:

Richard Glover for Jersey Property Holdings.

Project Director:

Bernard Place, Project Director.

Assistant Minister for Health and Social Services:

Deputy Peter McLinton, Assistant Minister for Health and Social Services.

Hospital Managing Director:

Robert Sainsbury, Managing Director of the Hospital.

Deputy S.M. Brée:

Thank you very much indeed. Now, as you are aware, we do have a relatively limited time available to us. This public hearing has to finish by 2.30 p.m. so I would request that all answers are kept short and to the point. Should we feel as a panel that the answer has been given to the question we have asked then we will indicate that we wish to move on. Addressing the Minister for Health and Social Services, we did make an offer, Minister, to allow you to make a short statement at the beginning of this hearing, of a maximum 5 minutes long, do you wish to make such a statement?

The Minister for Health and Social Services:

No, I do not, thank you. I asked that we could make a visual presentation to you so that we could explain the concepts of the work that we were doing, that was declined. So I will answer your questions.

Deputy S.M. Brée:

Thank you very much. I am sure, Minister, as you are aware presentations are not a normal part of any kind of public hearing. This is very much the ability of the Future Hospital Review Panel to ask questions to Ministers and officers to ascertain what the current situation is. If we can move on then to the actual questions themselves. Following the Minister for the Environment's rejection of the outline planning application, what are the next steps for the project?

Representative, Jersey Property Holdings:

Yes, when we received the Minister's decision and the inspector's report, we looked at what the concerns were that were raised by the inspector, saw where the scheme was unacceptable and we started work with our designers to try and address those issues. We also looked at the report to see what was acceptable. There were quite a few things that were acceptable, including the location of the proposed hospital. So working with our designers we started to amend the scheme and see how we could change, see what things had changed outside that process, because there had been a lot of work that had been taking place during the consideration of the planning application. That work allowed us to see what alternatives were available and how we could try and address those issues. We have been working on those solidly since that time.

Deputy S.M. Brée:

Thank you very much for that. One of the comments that has been made, I believe, in public is that there may be a need for the site footprint to be increased. Is this correct?

Representative, Jersey Property Holdings:

If you look at the inspector's report, there is one telling line that says that the size and scale of the building, which was at the root of the concerns the inspector had that led to the 3 reasons for refusal, was that the red line footprint was too small and the single phase approach to the building the hospital was manifesting itself in that scheme that was too big. By looking at the scheme, by looking at the site, by thinking differently, by thinking about what had changed since the application had been originally submitted we are able to extend the red line on the hospital site so that the site, the red line has changed and the footprint has increased. The other thing we have been able to do is also look at the phasing of it and it became evident because we were able to increase the footprint we could actually change the phasing idea, instead of it being built in a single phase, we could build it in probably 2 main phases.

Deputy S.M. Brée:

So it is your intention with the new planning application to move outside of the, as you call it, red line footprint which was in the original application, is that correct? Just seeking clarity.

The Minister for Infrastructure:

Deputy, the idea is that we remain on the same location, working within the guidelines of the outline business case to produce a hospital that is fit for purpose for many generations to come. The inspector himself has said that the location was sustainable and an acceptable location and we are working with the findings from the Planning Inspector to produce a scheme that is fit for purpose. We already know that we have had the outline business case and the funding approved, we have

the location and now we are working with the parameters, as the Planning Inspector highlighted, to produce a scheme that works.

Deputy S.M. Brée:

That is all very well and good, Deputy Noel. The question I asked was will you be increasing outside of the original red line footprint the footprint for the building? A simple yes or no answer will suffice.

The Minister for Infrastructure:

We will be remaining on the location.

Deputy S.M. Brée:

As you well know, Deputy, that was not the question I asked, it is a very simple yes or no question. Will you be increasing outside of the original red line footprint in your new plan to have a larger footprint, yes or no?

The Minister for Infrastructure:

Mr. Glover has already said that we will be extending the red line to other areas on the location.

Deputy S.M. Brée:

So the answer is yes, you will be increasing the footprint.

The Deputy of St. Ouen:

Could I ask Senator Green whether any compromises are having to be made with clinical adjacencies having regard to the extra footprint that has just been spoken of?

The Minister for Health and Social Services:

None whatsoever. In fact the feedback from the clinicians is that they are very happy with the outline plan.

Deputy S.M. Brée:

May I ask both Ministers, what impact on surrounding buildings and properties will the increased footprint have?

The Minister for Infrastructure:

It will have a lesser impact than the original scheme.

Deputy S.M. Brée:

Can you give more detail on what you mean by that answer?

The Minister for Infrastructure:

Not at this time.

Deputy S.M. Brée:

Why is that?

The Minister for Infrastructure:

We would have liked to have shown you the visuals that we have been working on. As you can see there is facilities here to take a presentation but we were not allowed to do so and so we cannot show you those.

Deputy S.M. Brée:

As you are fully aware, Minister, this is a public hearing of the review panel, not a public meeting. But anyhow ...

The Minister for Infrastructure:

The purpose of scrutiny is to gather evidence to inform the process and we were wanting to give you some of that evidence.

Deputy S.M. Brée:

Why could you not provide that evidence in hard copy format then?

The Minister for Infrastructure:

As the saying goes, a picture paints a 1,000 words or similar. Some things you can explain in a visual way that you cannot explain in words and that is what we are talking about.

Deputy S.M. Brée:

So because of the fact you were unable to provide us with a presentation, because that does not fit into the format, you are now not prepared to answer the question on what is the impact on the surrounding buildings, is that correct?

The Minister for Infrastructure:

No, what I am saying is to answer your question we need to do it in a visual way.

The Minister for Health and Social Services:

Just to build on that, you asked what impact it has and we say it has a significantly better impact on the environment but we cannot demonstrate that to you because we cannot put the pictures up there for you to see.

Deputy S.M. Brée:

So, will you be providing that to this panel in a hard copy format or not?

The Minister for Infrastructure:

When we have gone through the correct procedure of showing our colleagues on the Council of Ministers first we are very happy to provide those visuals to scrutiny at the appropriate time.

Deputy S.M. Brée:

Sorry, you were prepared to make a presentation to us this afternoon, we declined that because of the format, you are now saying that even though you were prepared to make a presentation to us you are now not prepared to give us the information because it has not gone through the Council of Ministers? I am just trying to clarify where we are on the information.

The Minister for Infrastructure:

We are prepared to give you a presentation because you need to talk through the images as opposed to just provide the images.

Senator S.C. Ferguson:

The Minister for Health and Social Services has been quoted in the *J.E.P. (Jersey Evening Post)* saying that a phased building scheme could be the solution. How would this work in practice?

Director of Estates, Department for Infrastructure:

Minister, I can answer this. We are looking at undertaking the development of a new scheme subject to planning approval by utilising a greater proportion of the site. That has already been established. The sequencing is not dissimilar to the previous scheme and I can take you through it fairly briefly if you wish. We would need to acquire properties on Kensington Place as was previously the case. None of those acquisitions have changed. However, we would be looking to utilise the footprint of the current engineering function and boiler house, which is further along Kensington Place towards the Parade, to extend the useable space in that part of the site. That would require re-provision of services throughout the hospital, electrical distribution and other services, and relocation of the engineering functions. The next step would be to demolish those acquired properties in the engineering block. We would then look to excavate that site in terms of a basement to provide facilities for communications undergrounds, storage, transmission of facilities management equipment and provisions. That would then enable us to build on the cleared space on top of the

basement, that would then enable us to connect the new building, which we are calling Block A, to the existing retained hospital via a mixture of internal and external corridor space. In the same timeline, outpatients and long-term condition facilities would be built at Westaway Court as were in the original plan. The nature and type of facilities at Westaway Court are still subject to review of the proposition that we developing with the Planning Department. There will be a relocation of services then from the residual hospital into what we are calling Block A and Westaway Court.

[13:30]

That will then permit the residual hospital buildings to be demolished. Now, those buildings do not include the 1980s and 1960s blocks. The space that will be cleared by that relocation and demolition would enable us to build what we are calling Block B. That would then enable the relocation of functions from the 1960s and 1980s block and those clinical functions in the Granite Block into Block B. The Granite Block would then be refurbished and offices and education functions relocated from their temporary surroundings. That is the extent of phase 1 of the phased schemes. The 1980s block and the 1960s block are then vacant, they have no services, clinical or otherwise. Phase 2 can be the demolition of the 1980s block and potentially the building of a new main entrance. That is a matter subject to discussion at present with our colleagues at planning and with the Jersey Architecture Commission. A possible phase 3, to demolish and potentially replace the 1960s block is something that we are considering within the forthcoming planning application as to whether that has been included or excluded from the parameter plan, the so-called Rochdale envelope. I trust that explains the sequencing.

Senator S.C. Ferguson:

Would a phased approach cost more?

Director of Estates, Department for Infrastructure:

A phased approach would cost a different amount of money because some of the ... **[Laughter]** well, if you let me explain. A phased approach would see expenditure spent in a different way because some of the temporary facilities that would be required were we to build out the scheme that was submitted to planning would not be required in this approach, other cost may be required in addition because of the nature of the build. We are some way away from determining that but we are satisfied that it should cost no more than was previously proposed in the previous application and the cost envelope that the States approved.

Senator S.C. Ferguson:

So you estimate is that it would cost how much?

Chief Officer, Department for Infrastructure:

Currently we are working that out. Clause H, the amendment that came out of the debate before Christmas, is one which is very strict in terms of what we can do if we do not stay within the cost envelope. We are currently working that out based on the plans we have and the discussions we are having with the Planning Department. As Ray pointed out, some of the temporary elements are not going to be used so there is a saving there. There will be perhaps some additional costs but the other saving is we will potentially be on site earlier. One of the big risk elements on this project - and you know about that as much as I do because you have been on this project as long as me - is the inflationary element of the project. So within this new approach we can get on site earlier with a substantial amount of build.

Deputy J.A.N. Le Fondré:

Just one question, probably directed at Mr. Foster because of the commentary we talked about extending the footprint. Do we know roughly, 10 per cent, 20 per cent, 25 per cent, whatever, how much greater the footprint is likely to be extended at this stage? Ballpark.

Director of Estates, Department for Infrastructure:

At this stage I cannot give you a precise number but it is into an area which is approximately the engineering block together with the Gwyneth Huelin block. So if I was to estimate it is somewhere between 15 to 20 per cent.

Deputy J.A.N. Le Fondré:

Thank you very much. The actual question I was going to ask and it was kind of inspired a little bit by what you have done and also in relation to the comment Mr. Rogers has just said on the cost and the envelope. Is there another proposition to the States required? I am not too sure I am directing this to, probably Mr. Rogers.

Chief Officer, Department for Infrastructure:

Until we have worked out that cost at the same base as the previous cost, we do not know. Clause H, which was the amendment, is something that we are taking legal advice on. We have to do this work and go through this process to know whether we need another States debate. If we do we will go back to the States and have a debate, but until we have that cost clarified we do not know. We will have that before we submit the revised outline planning application.

Deputy J.A.N. Le Fondré:

You have obviously mentioned you are taking legal advice. We stop there, obviously. Is it just on the cost envelope that you are seeking advice or are there any other aspects you are seeking to make sure whether it would need to come back to the States?

Chief Officer, Department for Infrastructure:

We have looked at the wording and got legal clarification on clause H and we are working within that legal clarification.

Deputy J.A.N. Le Fondré:

Just for the record, as it were - and I have forgotten my references - that was the debate that we had pre-Christmas of 2017?

Chief Officer, Department for Infrastructure:

Yes. Let me just clarify, it is from the one before Christmas we agreed the O.B.C. (Outline Business Case) and the financials.

The Minister for Infrastructure:

I believe it was P.107/2017.

Deputy J.A.N. Le Fondré:

That sounds helpful. I was having a mental blank there for the moment. Okay, thank you very much.

The Deputy of St. Ouen:

Since the Minister for Planning's decision, have there been meetings with the Planning Department?

Representative, Jersey Property Holdings:

Yes, we have pretty much had weekly meetings with Planning in one way or another since the decision, since the week after the decision. There have been meetings just with officers and last week we met with the Architecture Commission. We are scheduled to meet them again every week over the next few weeks.

The Deputy of St. Ouen:

What has been the content of those meetings?

Representative, Jersey Property Holdings:

The first meeting was to discuss an approach and how we could work together to deliver a scheme. Then the second one was to look at the inspector's report, see what issues arose from the inspector's report and a shared understanding of the concerns that the inspector had. Then we started moving on to ideas, work in progress for schemes that may develop into a planning application. So we talked about options and potential ways of solving the issue. Then last week we presented to the Architecture Commission the work we had done in terms of developing an urban

design led scheme to accommodate the hospital. But also, at the same time, accommodate the medical and clinical needs that became apparent when we were having ... when the original application was submitted there was a lot of work done on establishing clinical needs and the desires of the clinical staff were so we could integrate those. So we knew far more what we were dealing with in terms of what we needed to accommodate and what would be acceptable to the clinical staff.

Deputy K.C. Lewis:

When will a new planning application be submitted?

Representative, Jersey Property Holdings:

We hope to submit a new planning application the week commencing 9th April.

Deputy K.C. Lewis:

Thank you.

Deputy T.A. McDonald:

Given the high level, in fact the very high level, of public interest, would you support another public inquiry on the revised plans?

Representative, Jersey Property Holdings:

Yes, we are quite happy to go to public inquiry. I think that the planning law gives 2 reasons why there should be a public inquiry. The first one is if it is a departure from the development plan. We do not think this is a departure from the development plan. The second reason is, and quoting from the law: "The development would be likely to have a significant effect on the interests of the whole or a substantial part of the population of Jersey." That was the original reason for a public inquiry on the last application, I do not think that situation has changed very much since then so it will still have a significant effect on the interests of the whole or a substantial part of the population of Jersey. I think it will be a public inquiry. That is a decision for the Minister for the Environment to make but we are anticipating a public inquiry.

The Deputy of St. Ouen:

A question to the Ministers. For some time a briefing to States Members had been arranged for tomorrow but was cancelled late on Friday and, in fact, postponed for approximately a fortnight. Ministers, could you tell us why it was felt necessary to take that step at such a late stage?

The Minister for Infrastructure:

It was felt that it was necessary on 2 grounds. One being we wanted officers to complete their work that they have been doing and engaging with Planning and the Jersey Architecture Commission.

The officers next meeting with planning is, I believe, this Wednesday. We also wanted to take the opportunity to ... as you know, the Constable of St. John lodged a proposition P.37/2018 late last week and we wanted to take time to consider that proposition and to feed back our thoughts on that proposition to States Members at the same time.

Deputy S.M. Brée:

Thank you for that. I suppose this is addressed to both Ministers in a way, has the rejection of the planning application affected the project's plan to appoint a main contractor?

The Minister for Infrastructure:

Not that I am aware. I do not think it has delayed anything in that respect.

Chief Officer, Department for Infrastructure:

The appointment of the main contractor is something which has always been envisaged as being a staged approach. So the first appointment that we went out to tender for and we have successfully appointed a preferred bidder at this stage is for a part of the protocol, the pre-contract services agreement. This is where, throughout procurement, we get the contractor sat alongside us and our designers working with us designing the scheme. Schemes of this size and magnitude are now delivered as far more of a partnership approach where the contractors innovation in terms of buildability, prefabrication, groundworks and all the stuff that contractors - and temporary works - are really good at. We get them involved really early in the project and we help develop the scheme with the contractor sat alongside us. So they are effectively another line of consultants and specialists who come and help us get the detailed design and design how to actually build the project. That is the phase we are moving into. Now, if we had had a more positive response to the outline planning we would have probably engaged the contractor by now. What we have done is the contractor is sat alongside, we had a meeting with them last week, and they are going to help us through this phase of the process until we get to a point where we can get an outline planning application which is one where the planners are happy and we can move forward. So for the moment they are going to sit alongside us and they are going to help us out. The company is a triumvirate, a joint venture partnership with a local partner, which we are very happy with. They have lots of experience building hospitals and also experience with the local market. It is a great combination of people helping.

Deputy S.M. Brée:

Can you confirm who the preferred bidder is?

Chief Officer, Department for Infrastructure:

Not at this stage. I do not think we heard that formally. Because we have not signed anything with them, we have just had one meeting with them since the tender process. We will do imminently.

Deputy S.M. Brée:

Have you appointed or recognised formally the preferred bidder?

Chief Officer, Department for Infrastructure:

We have said to them they are our preferred bidder, subject to the negotiations we are undertaking at the moment.

Deputy S.M. Brée:

Again, this is merely seeking clarification. How can you seek to appoint a preferred bidder if you do not have a planning application that has been approved?

Chief Officer, Department for Infrastructure:

This is only for the phase of the pre-contract services agreement. This is only for the specialist help sitting with us. There is no commitment to a long-term project with the contractor. This is about contractor sitting alongside us working on this phase of the project. So, this is not like a normal procurement. This is a more mature relationship we develop with our partner.

Deputy S.M. Brée:

What is the cost of appointing or recognising a preferred bidder? There must be some cost involved, surely.

Chief Officer, Department for Infrastructure:

No. At the moment we will pay their expenses and their time working with us. It is effectively like appointing a consulting engineer, but with a specialist on building.

Deputy S.M. Brée:

What is their cost to act as your consultant? There must be a fee that you have agreed up front that you will pay them, even if they are not successfully appointed as the main contractor.

Chief Officer, Department for Infrastructure:

Yes, they have given us a fixed fee proposal for the P.C.S.A. (Pre-construction Service Agreement) phase, but we have not yet got to that phrase. This initial bit is something we are in negotiation with them at the moment ...

Deputy S.M. Brée:

What is that fee?

Chief Officer, Department for Infrastructure:

We do not know what ...

Deputy S.M. Brée:

You say they have given you a proposal. Are you prepared, or allowed, should I say, at this present moment in time, to advise us what costs or budget you have allocated for this period?

[13:45]

Chief Officer, Department for Infrastructure:

At the moment we have a commercially sensitive bid on the fixed fee phase. Then we have rates, which are commercial rates, in terms of the professional staff that would be deployed on this project. They are commercially sensitive. I would probably be able to share them with you under some form of commercial non-disclosure agreement, but not in an open forum.

Deputy S.M. Brée:

We are perfectly prepared as a panel to accept information under a confidential basis and would be grateful if you would provide that to us, under that basis, that we would treat it as confidential information. Thank you.

Senator S.C. Ferguson:

What impact has the delay had on Gleeds and their input into the scheme? Are they still involved in the project?

Chief Officer, Department for Infrastructure:

Yes, Gleeds are our, again, our consulting partner. They are the management consultant that is looking after all the other ones. Yes, they are still sat with us, thankfully, and still helping us to try to deliver this project.

Senator S.C. Ferguson:

If they are the main advisers, who else is advising on the project?

Chief Officer, Department for Infrastructure:

All the other advisers are sub-contracted to Gleeds at present. That is MJ Medical; Hassell, who are the architects; and Arups, who are the engineers looking at F.M. (Facility Management) and transport.

Deputy K.C. Lewis of St. Saviour:

Westaway Court, Mr Foster has touched on this subject, but just for clarification, we note that the planning application to demolish Westaway Court and associated structures was submitted on 27th December publicised on 2nd January. Will the rejection of the planning application affect the developments at Westaway Court?

Representative, Jersey Property Holdings:

The application for demolition was submitted in order to try and progress the programme. Originally it was intended that a full application for Westaway Court would be submitted early 2018 and that would be approved and we would be able to appoint a contractor to start erecting the clinics at Westaway Court in quarter 3 or early quarter 4 of 2018. By bringing forward the demolition phase it meant that that work could start sooner than would otherwise have been the case in waiting for a full application to be approved. Since the decision on the 2017 scheme and looking at how we are delivering the hospital, in particular phase A, that Mr Foster raised earlier, we realised that phase A and Westaway Court now need to be delivered at about the same time. It would be better if Westaway Court was earlier, because that is a more simply scheme and it would mean that there would not be a lot of decant all at the same time. The idea of the full application for Westaway Court is no longer being pursued. Westaway Court, this may answer further questions you have, will be an outline application that will accompany the application for the new hospital, the revised scheme. Whether it is a single application that covers both sites or 2 applications, one for the main hospital site and one for Westaway, is still to be determined. We are going to talk through that with Planning. The application for demolition of Westaway Court, we have asked Planning to hold on to and not determine at this stage. The reason being, if and when we receive approval for the revised scheme, there will be a certainty of what is going on Westaway Court. Rather than at the moment where it is a demolition and nothing is approved to replace it. When we receive the outline planning permission that we anticipate, there will be a context within which that demotion application can be considered. Hopefully the Planning Committee, or whoever determines it, will say: "Yes, in order to speed the process up we will allow for separate planning application for demolition while the reserved matters application, which is what the building will look like, is submitted and considered." We would like to do the same for the buildings on Kensington Place, submit an application for their demolition prior to the decision on the outline application, so that when we receive the approval for the revised scheme we can crack on with doing some work on the ground in the context of knowing there will be a building to replace them.

Deputy K.C. Lewis:

Sorry, just for clarification, are you saying that until such times as the main hospital site's planning application is determined then Westaway Court and Kensington Place demotion are on hold? Have I understood that correctly?

Representative, Jersey Property Holdings:

Yes, that is right. We would like them to be lodged with Planning and when the decision is made, as we say, to anticipate for an outline approval we can say to them: "Please could you progress those 2 applications and determine them in relatively short order in the context of any decision we have received for the revised scheme?"

Deputy K.C. Lewis:

Thank you.

Deputy T.A. McDonald:

I was going to ask what negotiations are going on in respect of the Revere Hotel, the Stafford Hotel and 36-40 Kensington Place? I just think it is important that we discuss these premises and know exactly which ones we are talking about.

Director of Estates, Department for Infrastructure:

I can respond and maybe you wish to add, Minister. The panel would be aware that the public have acquired the freehold of the maisonette at 44 Kensington Place in papers that we provided earlier. To update the panel, we acquired on Friday of last week the freehold of the restaurant at 44 Kensington Place. Clearly there is a leasehold interest we need to buy out as well in that property. To move to the properties that the Deputy referred to, we are in discussion with the freeholders of both hotels. There is a consortium that, in effect, owns both hotels, so we are having a single conversation about both hotels. We are also seeking to meet with the owner of Sutherland Court, which is a property that has both residential and commercial leasehold tenancies. We have a route to acquire both of those. As I say, we have had discussions in the past. Those discussions were put into some abeyance while we are awaiting the outcome of the planning application and developing our revised scheme. The revised scheme is very clear that the properties will be required for the purposes that we originally intended. We are, as I say, in discussions with the owners of those properties. We would like to move more formally into negotiated position in the near future.

The Minister for Infrastructure:

If I may just add to that, it is important for the States to deal with property owners and indeed the residential tenants and the commercial leaseholders in a fair way. That means making decisions in a timely manner so they have certainty, so they can get on with their lives and make plans for the future. We are continuing to talk with them to negotiate the acquisition of those properties. It is only

fair to do so, as opposed to put them on hold and give them that uncertainty. Certainly, if the shoe were on the other foot, one would want to be treated in a similar vein. You would want to treat others as you would treat yourself, in certain terms. So, it is important that we continue those discussions with those who are immediately concerned, which is the landowners, the residential tenants and the commercial leaseholders.

The Deputy of St. Ouen:

Mr Foster has just mentioned that negotiations were in part put into abeyance at some stage while a development application was being pursued. We have wondered why the purchase of the maisonette at 44 Kensington Place was concluded before the outcome of the planning inquiry was known?

The Minister for Infrastructure:

I just alluded to that, those individuals concerned needed some certainty. They had found some alternative accommodation to go to and they needed some certainty as to whether or not to proceed with that or not. So, it was only right and proper that we provided that certainty for them.

The Deputy of St. Ouen:

Are there plans to purchase any other properties on Kensington Place?

The Minister for Infrastructure:

None that are not already in the public domain, which are the ones that we have listed.

Deputy T.A. McDonald:

We note a ministerial decision dated 3rd July where units 9 and 10 on St. Peters Technical Park were leased, a 21-year lease, and these are to be occupied by Health and Social Services. Was this decision premature, bearing in mind the planning decision?

The Minister for Infrastructure:

No, I do not believe so. I believe I covered that in my email to all States Members on 19th January, and which I reiterated in the Assembly last week, whereby again in a similar vein, we needed to provide off-site catering facilities regardless of any scheme on any location.

Deputy S.M. Brée:

This is addressed to both Ministers. The panel note that both Ministers wrote an open letter to the *Jersey Evening Post* on 9th February, I think it was published. Given the numerous letters that had been sent to the *Jersey Evening Post* calling for the site to be reconsidered, would such a reconsideration ever be a possibility?

The Minister for Health and Social Services:

The open letter, as you say, was in response to the numerous letters about other sites. The fact is that that work has already been done. The project group did that work. Scrutiny's own advisers, through Concerto, did that work and noted that the system was appropriate and robust. On 3 different occasions now that work has been done. There is no point in going back and getting the same answer to the same question. Overall, the best site is the site that has been selected, the current general hospital site, where after all there has been a hospital there since about 1700.

Deputy S.M. Brée:

Just to confirm, Minister, and to clarify the situation, you are of the mind that there will be no reconsideration of any other sites and that the site location for the future hospital is the one you are recommending? Just to clarify the situation.

The Minister for Health and Social Services:

I do not think I can be much clearer. The project team came up with the site that is on the proposed scheme. Your own advisers came up and said that the system was robust and appropriate. There is no need to go back and ask the same questions to get the same answer and end up back where we started from.

Deputy S.M. Brée:

Minister, your letter states that there is no such thing as a perfect location for the new hospital. Many of the correspondents who have written in are inferring that would a clean site be less expensive, quicker to build, with less upheaval for staff and patients and possibly with less planning constraints. How do you counter those suggestions?

The Minister for Infrastructure:

In straightforward language, the answer is "no" to each of those questions. A greenfield site would not necessarily be less expensive, it would not necessarily be easier and quicker to build and it would not necessarily provide a better hospital.

Deputy S.M. Brée:

The question was about a clean site, not a greenfield site. Do you still stand by those statements if it was when we are calling it a "clean" site, not a greenfield?

The Minister for Infrastructure:

Yes, because all sites have their key attributes and constraints. The outline business case and the funding for the site has been approved by the Assembly, that has been agreed by the Planning Inspector to be a sustainable and accessible location and a good location for our future hospital.

The Minister for Health and Social Services:

Perhaps to assist you, Chairman, if you could explain what you mean by a clean site then maybe we could be a little clearer.

Deputy S.M. Brée:

I was merely referring to the correspondence that had been written by many, many members of the public to the *Jersey Evening Post* looking at other sites where there are possible less space constraints. The point I was merely trying to clarify with you ...

The Minister for Infrastructure:

Chairman, could you name them?

Deputy S.M. Brée:

I do not think it is appropriate to go into sites at the moment. All I was seeking to clarify from both Ministers was that your position at the moment is that there will be no reopening of any reconsideration into any other sites.

[14:00]

The Minister for Infrastructure:

Chairman, I will not speak for the Minister for Health and Social Services, but I am very clear that we have the Assembly's approval of the location. It is the existing hospital site. We have the outline business case and we have funding approved. Now that the Planning Inspector has issued his report, we now that the parameters to what we have to build to. That is what we will do. We will deliver a sustainable and accessible hospital on the current site.

The Minister for Health and Social Services:

All I can add to that is that even your own independent adviser said that the site evaluation was a robust and proper one.

The Deputy of St. Ouen:

Ministers, however now we have to phase hospital construction, does that not indicate that a clean site without a phased approach might be worth further consideration?

The Minister for Health and Social Services:

Please define “clean site”?

The Deputy of St. Ouen:

A clean site, Minister, is where one can start a construction and complete it without having to move around hospital facilities. Then we move from the existing hospital on to a new site. That is how I would presume it could be described.

The Minister for Infrastructure:

All replacement hospitals will require a move of facilities, staff and functions. What we are hoping to do, in what Mr Foster has already outlined, will be moving clinical staff once to their end location. You can achieve what you are asking to be achieved on the current hospital location.

Deputy K.C. Lewis:

Just, again, for clarity, have you asked Gleeds to re-evaluate the preferred site on a risk benefit analysis based on the revised footprint?

Director of Estates, Department for Infrastructure:

The scheme that is being proposed at the moment, will be subject to a risk review. Gleeds provide risk services, among the basket of services they provide to us as an adviser. We will, obviously, ensure the risk assessment ... and it is a detailed risk assessment and the panel will have received information, and will receive information on the revised risk assessment to determine whether there are any additional risks of building in the manner we are suggesting for the new scheme. The initial view is that it is less risky, rather than more risky. As you will have heard, there are fewer moves. The moves are to the final location for staff. The 2-block approach in phase 1 provides for the completion of clinical facilities earlier than was previous anticipated for the first block and to the same timescale, the end of 2024 for the second block. In terms of risk, the highest level of risk is on the existing hospital. The existing hospital is a hospital that is struggling at the moment. We all know that it is not fit for purpose. It delivers services because of the dedicated team that is in there, but it is not the future hospital that we are looking for for this Island. In that respect, the sooner we build and get on with building the first block and then the second block the quicker we remove those risks.

Deputy K.C. Lewis:

Finally from me, I think it was mentioned earlier with the revised plan you would be going into the engineering space. Will the Engineering Department also be relocated offsite?

Director of Estates, Department for Infrastructure:

The Engineering Department will remain on site. They are a function that requires to remain on site. There are some opportunities, because of the 2-stage, Block A/Block B approach, to retain them on site throughout the build of Block A and then relocate them into Block A while Block B is being built.

Deputy J.A.N. Le Fondré:

We have partially covered this, but I think this is directed possibly at Mr Foster and Mr Glover, probably just to summarise the response, given the findings in the independent Planning Inspector's report, i.e. the proposal is out of scale, the site area is too small to accommodate the floor space proposed, et cetera, et cetera, how can you take reasonable steps to address all of those issues by retaining it on the current site? I appreciate we have touched on quite a lot of that, but do you want to kind of summarise that.

Representative, Jersey Property Holdings:

Yes. The inspector said that the size of the red line was a limitation that manifested itself in a building that was too large. We have taken the particular areas of concern that the inspector has and we have started considering why our scheme fell down. We then started to look at other opportunity to try and meet the brief and, at the same time and almost more importantly, to adopt an urban design approach to the design of the building, by looking at the context of the site far more than previously. We have to be careful. What we need to do in terms of a planning application is not simply one that just addresses the inspector's concerns, but in itself complies with planning policy, because we will be changing the context of it. So, we need to be constantly checking ourselves against the policies of the Island Plan. We are confident we can do that. We shared where the working progress is with the Architect Commission last week and there were significant areas where they felt that we had achieved it and we would be able to meet the concerns that the inspector raised in terms of impact on townscape and in terms of impact on residential amenity of surrounding properties. In terms of heritage, we are doing a lot more work on that. They gave us some advice that we are happy to take on board and work with as the scheme progresses and as it becomes more refined. Certainly using the tests that the inspector suggested, such as the B.R.E. (Building Research Establishment) test, which is the impact on daylight that goes into residential windows. We are carrying out a full B.R.E. assessment of the scheme as it emerges, so we can be certain we are meeting acceptable levels, where there are areas of risk and where there are areas of compromise that we may need to make.

Deputy J.A.N. Le Fondré:

Okay. One clarification, I think we have mentioned there redline and footprint again, this is directed at Mr Foster. You indicated a ball park figure, Mr Foster. I am not trying to pin you down to decimal places or anything. We were talking about the increase in the footprints. I believe you mentioned

the energy block on Gwyneth Huelin might be 15 to 20 per cent increase in footprint, as a guide. Can I just check, does that include then the phase 2 the 60s and the 80s block?

Director of Estates, Department for Infrastructure:

I had excluded that. The full clinical complement will be delivered within Block A and Block B.

Deputy J.A.N. Le Fondré:

Sorry, what is intended then, briefly, for the phase 2 or phase B, the 60s and 80s block? You talked about the main entrance and things like that having to come in there, so there is obviously potentially some form of function that is going on.

Director of Estates, Department for Infrastructure:

Deputy, you will recall that on the previous scheme both of those blocks together with the engineering facility were excluded from the redline, because they were future development opportunities in relation to health services in that location, in the urban block, as it were.

Deputy J.A.N. Le Fondré:

Yes.

Director of Estates, Department for Infrastructure:

In the scheme that we intend to bring forwards, we are anticipating, although we have not fixed, whether we would include them within the parameter plan, the Rochdale envelope, to ensure that we provide a clearer picture of what might be capable of being developed, in terms of scale and massing, in the future.

Deputy J.A.N. Le Fondré:

Okay. Just for my purpose, and this is me being numbers-wise, the energy block in the Gwyneth Huelin will have to be included in phase 1, as it were, and that is your 15 to 20 per cent. If you did need to go into the 60s and 80s blocks ... well you are saying you do not need to for the scheme, but you want to do for future expansion, that would then be higher than the 15 to 20 per cent we were talking about. Is that a fair summary?

Director of Estates, Department for Infrastructure:

That is correct. They are outside the requirement as we stand.

Deputy J.A.N. Le Fondré:

Thank you very much.

Deputy T.A. McDonald:

Could I just ask, before we move on, excuse my ignorance, but for the sake of the members of the public who are present and listening, the B.R.E. test, could you just explain? We tend to use jargon.

Representative, Jersey Property Holdings:

Sorry, about that. B.R.E. is a U.K. (United Kingdom) based Building Research Establishment. They do things like establish building bylaws and standards about how to build buildings. They have a guidance document. The exact name escapes me at the moment, but it is to do with how to assess the impact of buildings that are close to each other and the impact of daylight and visibility of the sky. It is a way of trying to add science, instead of just saying: "Well, it will look all right. It will be fine." It looks at things in terms of actual impact. It is useful because it can establish existing levels of daylight and sky, so you can compare what is there now and what the change will be in the future. All these things are relative, because every space is different. It is something that the inspector used, I think his phrase was "as a rule of thumb". We are taking it on board and using it to its full purpose and having proper assessments done by a suitably qualified assessor.

Director of Estates, Department for Infrastructure:

If I can just add, Chair, it is not a requirement, it is something we are doing over and above the planning requirement. We can send you some details of B.R.E.'s processes so that you can be fully up to speed with them.

Deputy S.M. Brée:

That would be very useful if you could provide those to us. Going back to the question of if the footprint is increased, how will you address the inspector's concerns regarding the harm that a large, tall and imposing modern building would cause to a number of protected heritage assets, such as the Granite Block?

Representative, Jersey Property Holdings:

To be clear, the inspector said it was the scale and massing of the building that were the features of the application that were causing harm to the heritage assets. We are looking to reduce the scale and massing of the building. That is a way that we will hope to lessen, if not abolish, any harmful impact that there may be on heritage assets. So, the root of the inspector's reasons for refusal were related to the scale and massing of the proposal. As I say, by changing the scale and massing of the proposal we hope to address impact on townscape, heritage and residential amenity, which were the 3 reasons for refusal.

Deputy S.M. Brée:

If I may just pick up on, again, just for my own peace of mind almost, if the footprint has to be increased by a substantial amount to accommodate all of the concerns that the Planning Inspector put in his report, we have just spoken about the concerns about the heritage side of things, that is a reasonable substantial increase in the actual footprint. When P.107/2017 was debated and voted on by the States there was a clear indication in that, I think, to most States Members of what the footprint would be. In fact it was referred to in the proposition itself. Are you confident, Ministers, that the vote by the States to adopt P.107/2017 gives you the authority to increase the footprint of the building by the amount you are talking about?

The Minister for Infrastructure:

Yes. Yes.

Deputy S.M. Brée:

Thank you for your very, very positive statement there.

Senator S.C. Ferguson:

Although the independent Planning Inspector's report assessed that in broad spatial terms the application proposal would be in a sustainable and accessible location no reference was made that the site was right for the new hospital. How would you respond?

The Minister for Infrastructure:

The site is currently our general hospital, has been for many generations. It is within the town of St. Helier, it is within the Ring Road, to my mind it is a perfectly more than adequate location for a replacement hospital.

The Minister for Health and Social Services:

The Minister for Planning confirmed that in his ministerial decision as well.

Deputy J.A.N. Le Fondré:

Just on planning matters - I have a set of questions I have to ask - wrapping up on planning matters, I believe, Deputy Noel, you made reference that you are hoping to get the planning application back in place for early April, if I understood one of the responses correct?

The Minister for Infrastructure:

For the week commencing 9th April, yes.

[14:15]

Deputy J.A.N. Le Fondré:

Am I right in assuming then that if a planning inquiry goes through we are going to be somewhere between July, August, September or something before we get any indication of what is happening. I am getting nods from ... is that correct? Obviously microphones do not pick up nods.

Representative, Jersey Property Holdings:

In discussions with Planning we anticipate probably an inquiry in September. It possibly could be held earlier but we are conscious of August being a month when there are not many people around. We would then anticipate a decision some time in October.

Deputy J.A.N. Le Fondré:

Moving on, probably directed at Mr. Foster and/or Deputy Noel, I am guessing, but possibly even Mr. Rogers. What is the total cost of the project to date? How much have we spent to date?

The Minister for Infrastructure:

There has been a recent F.O.I. (Freedom of Information) question on that in January which we answered, I believe it is in the tune of £25 million.

Director of Estates, Department for Infrastructure:

We did provide to the panel some information on the total costs, and by total costs I mean total cost, of the hospital as at 31st January, which is £25.7 million.

Deputy J.A.N. Le Fondré:

So just under £26 million basically.

Director of Estates, Department for Infrastructure:

That is correct.

Deputy J.A.N. Le Fondré:

Okay. How much of the cost spent to date has been written off due to the rejection of the planning application?

Director of Estates, Department for Infrastructure:

The answer to that is none.

Deputy J.A.N. Le Fondré:

Okay, so perhaps written off might be the wrong word. How much has been incurred to date in respect to the planning application that is now essentially no longer ... wasted, basically.

Director of Estates, Department for Infrastructure:

Until we know what the new application looks like it is very difficult to determine whether any of the costs that have been incurred to date are not part of the development that could be capitalised against the new scheme. I would suggest the one element that could be is the planning fee, which is £212,500. The scheme will be reviewed as part of an accounting assessment once it is settled and we will take a view as to whether there are any elements that need to be written back to revenue. That will be done in this financial year.

Deputy J.A.N. Le Fondré:

Presumably, for example, architects' fees to date, the legal adviser you had - I think it was a barrister - who was running the planning inquiry, the team fees at that point, those would all basically be ... they cannot be used again effectively so they are written off because you did not come out with an approved application?

Director of Estates, Department for Infrastructure:

There needs to be a review to establish quite clearly which of those are indeed sunk costs that need to be written to revenue and which are not. In terms of design development, though, the design development for the scheme that went into Planning originally, a lot - and I would suggest the vast majority - of it is still capable of being utilised in the revised scheme. The hospital is a series of building blocks, for want of a simplification, and I am very conscious that colleagues around me might not like that simplification. Those building blocks are being rearranged - again to use a very simple term - on a site in a different order. The design that is contained within those building blocks, a ward block, a set up of something like oncology or radiology, is largely retained. The work that goes from the bottom up to design and develop these schemes will be retained in the revised scheme in the main. There will be additional work required to tailor it to the site, the shape and the connectivity within that scheme but an awful lot of what has been done to date is work that has been developed to a point that could be used in a different type of arrangement. So it is not lost. The answer to your questions is, yes, there will be some costs that will be different because we have not progressed with the scheme that was tabled to Planning but it is not a case of going back and starting from square one.

Deputy J.A.N. Le Fondré:

No, no, I do accept that the work on the adjacencies and things like that will still stand up because you have done that as your preliminary work that you had to do and that will stand because that work then feeds into what schemes will carry on. Okay, very quickly, and this is really just placing it on record, of the cost, which is the just under £26 million, how much has been spent on external advisers?

Director of Estates, Department for Infrastructure:

The external adviser cost is just over £14 million. If I may, Chair, the external advisers - because we refer to Gleeds, I want you to consider that Gleeds are a single unit external adviser - include architects, M&E consultants, traffic engineers, medical planners, the team producing from Gleeds the outline business case, which is a significant piece of work in its own right, together with costs control, risk assessment, procurement and there is a number of other functions, planning, the advice that sits within that adviser cost. So it is rather a large basket of costs.

Deputy J.A.N. Le Fondré:

That is understood, thank you. Now, I know we have touched on it and I will touch on it again just for record in wrapping up, at the moment what is the anticipated extra cost of what is being proposed, accepting that it is going to be within the £466 million, we believe?

Chief Officer, Department for Infrastructure:

We do not know. We need to work that out. There is no point guessing those figures. We see a saving of about £20 million in some areas and an increased cost in other areas, but at the present time we do not know and we need to get an accurate view of that based on the previous cost estimate we had so that we can fulfil clause H.

Deputy J.A.N. Le Fondré:

Then once you know that you will then ... you are then dependent on working out how you are going to fund it, essentially?

Chief Officer, Department for Infrastructure:

That is correct.

Deputy J.A.N. Le Fondré:

Okay, thank you very much for the moment.

Deputy S.M. Brée:

We have covered most of the areas that we wanted to cover in this public hearing. I would stress that the purpose of this public hearing was to merely establish where both departments were on the future hospital project and to understand your thinking behind it. The question of any additional costs, obviously I understand you need to work on but I would be very grateful if, once you have managed to establish at least an estimate of what these will be, you do provide that to the panel. Again, we are happy to take that under a confidential agreement should you so require it. I think there obviously still are grave concerns from many members of the public about the future hospital

plan. I welcome the comment that you are prepared to support a public inquiry into this when you next put your planning application in, even though we do realise that the decision to hold such an inquiry is down to the Minister for the Environment. But it is good to hear that you will be willing to support such an inquiry and obviously co-operate with that. At the moment those are the questions we have for the Ministers. I would like to once again thank you for attending. I would like to thank members of the public for attending. It must be stressed that a public hearing is merely seeking to obtain evidence, we are not here to challenge anything or to question, we are merely trying to understand where the Ministers are at the moment, where the project team at the moment is. It may well be that this review panel decide to issue some form of report or comments as we go along based on evidence provided to it. But I would like once again to thank you very much for attending and I will draw this public hearing to a close. Thank you.

[14:24]